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ABSTRACT

This document, which is directed toward employment and training professionals analyzing/researching policies and issues in education, occupational training, work and welfare, and economic development, contains feature articles, commentary, interviews, and other information on the role of education, training, and employment strategies in reducing poverty in the United States. The following feature articles are included: "The Poor in America," "A Perspective on Poverty: Christopher Jencks," "Reducing Poverty: General Approaches," "Inner-City Ghetto Poverty: A Re-Examination," "Contemporary Work/Welfare Strategies: The First Generation," "Second Generation Work/Welfare Strategies," "Another Look at Work/Welfare Programs," "What Are We Learning about Homelessness?" "The Homeless and JTPA Job Training Partnership Act," and "The Department of Labor's Study of Homelessness." Also included are the following: commentary by Secretary of Labor Robert Reich; interviews with Senator Daniel Patrick Moynihan and David Ellwood; review of a book on the evolution of European welfare states; analyses/reviews of Washington State's Family Independence Program, state welfare reform efforts within the JOBS [Job Opportunities and Basic Skills] framework, and current welfare positions; extensive table detailing research on work force issues sponsored by the U.S. Congress and 6 federal departments/agencies; index to information on federal research; and bibliography listing 133 books, articles, and working papers on poverty issues. (MN)

Evaluation Forum

American Poverty: The Role of Education,
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the New Anti-Poverty Struggle

U.S. Department of Labor
Employment and Training Administration

Issue 10, Summer 1994

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U.S. Department of Labor
Robert B. Reich, Secretary

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A review journal for employment and training professionals focusing on policy analysis and evaluation research in education, occupational training, work and welfare, and economic development.

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Features

Editorial Introduction

In the spring of 1992, the Institute for Research on Poverty and the Office of the Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services sponsored a national conference to evaluate policy efforts addressing poverty and its correlates. The papers prepared for the conference were published in book form by Harvard University Press in 1993 as *Poverty and Public Policy: What Do We Know? What Should We Do?* The editors were three well-respected poverty researchers, Sheldon Danziger, Gary Sandefur and Daniel Weinberg. Insights from the book were summarized in the Winter 1992-1993 issue of *Focus*, the Institute's journal.

A number of important themes and ideas permeate this excellent book which may help frame the articles in this Features Section. One theme is that the persistence and growth of poverty since the 1960s *does not mean that anti-poverty efforts failed.* Poverty remains a major problem in America because of the changes in the economy during the past three decades at a time when public policy interest in the poor was declining. Some programs did fail, the authors acknowledge. But some were very successful. No doubt others were poorly conceived. And some were well-designed but did not affect enough people to make a difference.

Another theme is the belief that we must use the renewed interest in resolving poverty *to develop a new anti-poverty agenda.* We must begin, the editors insist, with the lessons we learned over the past three decades of research, and subsequently answer questions such as these: 1) what is the extent of contemporary poverty, 2) how effective are current anti-poverty programs, 3) how should we reform and expand anti-poverty policies and programs, and 4) what are the political constraints within which anti-poverty policy must be formulated in the 1990s?

Addressing Some of the Questions

Danziger and Weinberg drew the following profile of poverty over the past fifty years: 1) non-Hispanic whites have lower poverty rates than blacks, Hispanics and other minority groups; adults in the prime years have lower poverty rates than children and the elderly; men have lower poverty rates than women; and married-couple families have lower poverty rates than female-headed families. The only exception to the durability of this profile was the shift in poverty after 1973 *from the elderly to children.* Economic growth traditionally affected these trends, but increasingly such growth matters less because of *increased income inequality.*

American poverty policy has always been less *redistributive* than policies in other industrial nations. We have typically tolerated higher poverty rates because of our central political belief that government should not intervene in the market. Over the period of the 1940s to 1960s, economic growth had a direct effect on poverty, and strong growth had a significant effect. But economic growth has not been robust since 1973. It has not produced as many low-skill jobs with adequate wages to sustain families. Despite this change and our continuing political ideology, the authors claim that *a combination of cash and non-cash benefits for the poor clearly reduced poverty, nonmonetary benefits in particular.*

Because of the slowing of economic growth, however, Danziger and Weinberg conclude that anti- poverty strategies in the form of employment programs *could be expected to have only a limited effect.* They suggest that changes in welfare policy over the past two decades have focused more on increasing the poor's work effort than on improving their earnings potential. Meanwhile the decline in the purchasing power of AFDC benefits made these benefits a less attractive option. The Omnibus Budget Reconciliation Act of 1981, expressing Reagan poverty policy, tightened AFDC eligibility. This increased work incentives for those removed from the rolls but simultaneously made their situations worse because individuals had less time for parenting and related responsibilities with little or no increase in family income. At the same time, high benefit reduction rates caused work effort to decline for those on AFDC, since added work produced little gain in net income.

Programs emphasizing *job search assistance* , the authors say, produced modest employment and income gains among female AFDC recipients. Small returns to society from some *employment* programs exceeded their costs. But these programs did not move many families out of poverty. On the other hand, *tax credits* helped 10% of the poor to escape poverty. Researchers also felt that *public service employment* produced incremental long-term benefits for white and minority women, but this strategy was eliminated under political pressure.

Medicaid greatly improved access to health care for the poor, but a substantial proportion of the poor were not covered and resources for other medical programs declined over time. With substantial evidence that *education* is critical to movement out of poverty, educational vouchers and merit pay for teachers were tested and found not to increase educational opportunities for the poor or energize teaching efforts. But *Head Start* was quite successful. The development of state-based enterprise zones, on the other hand, had mixed effects. New businesses in the zones did not produce large increases in aggregate employment or economic activity. With such mixed reviews, it has been difficult to come to definitive conclusions about *what worked best and for whom.*

The Future for Poverty Research and Policy

The book goes far beyond this very brief summary of ideas to review and comment on several decades of research and policy recommendations. The contributors make the assumption that this body of knowledge has given us enough information to identify the general directions future anti-poverty policy should take in seeking major gains regarding equity, efficiency, self-sufficiency, responsibility and dignity.

Some experts recommended abolishing the current welfare system altogether, starting over with a package of alternative programs. Some suggested home- ownership strategies, subsidized asset accounts in place of welfare benefits, and universal youth capital accounts. Others thought a National Urban Corps should be established, utilizing dislocated military personnel. Other options were wage subsidies for low-skilled workers and employer-based marginal employment subsidies in combination with a refundable tax credit. Some researchers felt we should address the imbalance in poverty rates between the elderly and children by redesigning Social Security as an income-related program, by fully funding Head Start and high quality day care, and by enriching schools through greater parental commitment and investment.

These potential policy changes extend considerably beyond the traditional issue territories of past poverty research. They involve larger-scale initiatives. They require an elevated level of conceptual and pragmatic risk-taking.

Some of the researchers writing in the book worry that the poverty research community might not be able to break out of its mold sufficiently to consider new issues and alternatives. They cite a certain pessimism on the part of researchers related to finding such small impacts for most of the strategies studied. Seeing the glass 'part full', others view past research as pointing in a positive direction to the need for multiple, concentrated, high-participation approaches that can yield larger results.

Robert Haveman and Isabel Sawhill, referring to the destructive nature of a "magic bullet mentality" obsessed with identifying *that one remarkable strategy* that will solve the problem, suggest:

> Why isn't a superior viewpoint [one in which we say] we have tried intervention X and it doesn't seem to have much of an effect, but by golly it's not a bad idea. Maybe it might have an impact if we were to modify it in this direction or expand it in that direction, or supplement it with the following services or mandates, or double or triple the magnitude of its intensity or the size of its incentive . . .

This perspective is reminiscent of Christopher Jencks's admonition that in other societies the view is that when a program is not working you try to make it better. In the United States, he says, we doubt that government can do anything right and therefore assume that "if a program stumbles . . . we ought to terminate it . . . It's like deciding that if babies get sick they should be thrown away."

We are not likely to throw away what we have learned. The challenge is to use these lessons in crafting new policy. In the articles that follow, new directions do emerge. First we provide a *context*, then we focus on the *underclass poor*, the *welfare poor*, and the *homeless poor*.

Poverty In America: A Context

The Poor in America

We begin the Feature Section with a selective overview of information about contemporary poverty in the United States, and some of the general conclusions emerging from poverty research.

Recent Poverty Statistics

The Census Bureau's fall 1993 report on poverty and income provided the first detailed look at some of the effects of the recession that began half way through 1990. By official standards, 2.1 million more Americans were living in poverty in 1990 than in 1989. The poverty rate rose to 13.5% from 12.8% in 1989, and median annual household income fell 1.7% to $29,943. The number of Americans living in poverty had increased for the third year in a row. *One out of every seven now had an income below the poverty line. The number of poor was at its highest level since 1964.*

The main increase in poverty was among whites and Hispanics, and largely in the Northeast. Poverty rose for children and the elderly, and inside metropolitan areas. The greatest decrease in income occurred among white men, in the Northeast and West, ethnic differences appearing to be related to geography. Since 71% of African Americans live outside the Northeast and West, where the recession had the most dramatic impact, they were less affected. On the other hand, a larger percentage of poor black families than of white and Hispanic families were headed by an unmarried woman. These households were more likely to receive welfare benefits and less likely to have lost income due to recessionary layoffs.

Robert Greenstein, director of the Center on Budget and Policy Priorities, commenting on the Census Bureau's analysis, pointed to *declining wages for low-skilled work* and *a weakening of labor unions* as partial causes for the statistics. Other experts criticized the Bureau's method for defining poverty, which did not include noncash benefits such as Food Stamps, Medicaid and public housing, and was not affected by owning a house or car.

In 1992, the first full year following the end of the recession, the Bureau reported that 36.9 million Americans lived in poverty. Of the 1.2 million who fell into poverty in 1993, 276,000 were under eighteen, a poverty rate for children of 21.9%. For those under age six the rate was 25%; for preschool children in households headed by single women it was 65.9%. This contrasted with a rate of 14.5% for Americans of all ages.

It is important to understand that the *increase* in the number of poor children occurred in families headed by married couples and those headed by single men. In homes with single women, the number of children in poverty *decreased* by 33,000. Still, the youngest Americans were *most at risk* in households headed by single women and at *highest risk* in households headed by black women. This was due, in part, to the fact that whites and Asian Americans were better educated and earned more than African Americans and Hispanics in 1992, and therefore were more likely to move out of poverty. The poverty rate for whites was 11.6%; for Asian Americans 12.5%; for Hispanics 29.3%; and for African Americans 33.3%. The Bureau predicted a decline in these rates with the end of the recession.

Child Poverty

The Children's Defense Fund startled us in 1993 with their annual report claiming that young families with children had less money now than their counterparts a generation ago, and suffered from *child poverty rates twice as high even though they were better educated than their predecessors.* About half of all American children, the Fund indicated, were born into families headed by a parent under thirty. In 1990 the annual incomes of such families fell 32.1%. Incomes for families with older heads fell more modestly, by 6.4%, and families without children experienced a rise in income of 11.2% over the same period. Incomes for young families headed by individuals who had some amount of college education fell 15%; for those headed by a high school graduate they fell 30%; and for those headed by a high school drop-out they plummeted 46%. Only those families headed by a *college graduate* saw a rise in income — but only a 3% rise.

The suggestion was that young families today are more likely to be black or Hispanic, and these groups have lower average earnings than whites as a function of lower official educational attainment and continuing discrimination. The percentage of young families with children headed by nonwhite parents rose to 35% in 1991 from 23% in 1974. Poverty rates, the Fund claimed, had risen to 23.8% for children in young white families; 43.5% for those in Hispanic families; and 57.9% for those in black families. This was attributed to the near doubling of the percentage of young families headed by a single parent, which had risen to 37% in 1991.

Overall, incomes dropped 32% and the child poverty rate was now 40%, the Fund maintained. This was viewed as a product of the *increase in single parent families,* but also of *eroding wages* and *declining government welfare and unemployment benefits.* The conclusion of the report was that poverty among children had spread alarmingly in the 1980s, not only in large urban centers but in smaller cities as well. A similar state-by-state analysis revealed, that approximately 18% of children, on average, lived in families earning less than poverty-level incomes in 1989.

The Fund's report also reminded us that in 1992 *the rich got richer.* Nearly half of national family income went to the top fifth of families, while 4.4% went to the poorest fifth. Meanwhile, the United Nations' Children's Fund concluded that one-fifth of American children lived below the poverty line — four times the rate of most industrialized nations, and twice that of Great Britain.

Irrespective of the social policy debates swirling around the definition of poverty, as well as its causes and effects, the 1993 reports from the Census Bureau and the Children's Defense Fund were sobering. Marian Wright Edelman, the president of the Fund, commented that the new statistics would translate to "more substance abuse, more school failure, more teen pregnancy, more racial tension, more envy, more despair, and more cynicism — a long-term economic and social disaster."

In the spring of 1993, the Center for the Study of Social Policy released its *Kids Count Data Book,* an annual profile of American children. Surveying child well-being in ten areas of life quality, the report found conditions worsening in six of these areas. The data on teen-age youth were particularly disturbing. Births to single mothers had grown, as had the percentage of children not graduating from high school and the percentage dying violent deaths. The arrest rate for violent crimes had risen by 48%. Using a new measure, *a family risk index,* analysts found that 45% of the children born to new families had one of three disadvantages: their mother had not finished high school, was not married, or was a teenager. Twenty-four percent of the new families had two of these disadvantages and 11% had all three. In each category, minorities fared worse than others.

Meanwhile, the Census Bureau was reporting that *more than a third* of all American youth aged fifteen to seventeen had either dropped out of school or were at least one grade level behind their cohort. The rate for these contingencies rose from 29.1% in 1980 to 34.8% in 1990. Thirty- two percent of white students fell into this category; 48% of blacks; 48.6% of Hispanics. The differences began appearing with 9 to 11 year-olds and continued throughout high school.

Never-Married Mothers

And there were statistical surprises. In the summer of 1993, the Census Bureau reported a sharp increase in *never-married mothers — an increase of 60% over the past decade.* This increase was particularly steep for *educated professional women.* The rate for black women rose to 56% from 49% a decade earlier; the rate for Hispanic women rose to 33% from 23% over that period. Although women who were poor, uneducated or members of minority groups were still more likely to become single mothers, and their rates were rising, *the increase in single parenthood among white educated women who had never married was more dramatic.* The implications for anti-poverty strategies were significant. Social norms discouraging single motherhood were crumbling across class and ethnic lines. With the exception of Japan, the same trend was occurring in other industrialized democracies.

Poverty-Related Studies by the U.S. General Accounting Office (GAO)

In their 1992 report, *Poverty Trends 1980-1988: Changes in Family Composition and Income Sources Among the Poor,* the GAO indicated that the growth in the sheer number of single-parent families was primarily the result of the rapid increase in families headed by *never-married mothers* and by an increase in *single male-headed families*. These subgroups of the poor had grown from 27% in 1980 to 38% in 1988, and accounted for 1.3 million of the 1.7 million increase in the number of single-parent families.

Most of the increase in never-married mothers occurred among those living with their children as the sole family in a household. In contrast to previously-married women who were not single mothers, these women were younger, more likely to have a child under six, less likely to have finished high school, and more likely to have had a child while a teenager — *all factors associated with a high vulnerability to poverty.*

Young families with children experienced a dramatic increase in their poverty rates between 1980 and 1988, resulting mainly from the increase in young single-parent families. These families represented nearly half of the population of young family heads by 1988. This demographic change alone accounted for about 59% of the increase in poverty among young families — young single parents have much higher poverty rates than young married couples with children. The increased rates were mainly due to a *decrease in real income from public benefits* — i.e. welfare and unemployment insurance. *Work effort in this group had not declined.*

The 1993 staff report prepared for the Committee on Ways and Means of the U.S. House of Representatives also concluded that the declining anti-poverty effectiveness of government policies (social insurance, welfare and tax policies) explained much of the increase in poverty. The report cited demographic changes, changes in wages and other private sources of income relative to inflation, and changes in government policy as the main sources of a poverty increase — 10-13% between 1979 and 1991. The staff's research found that between 1979 and 1989 almost half of the overall poverty increase, and almost two-thirds of the increase in child poverty, were due to *changes in government policies.* These policies *increased* poverty significantly during the 1980-1982 recession, and *reduced* it significantly during the 1990-1991 recession.

Between 1980 and 1984, thirty-eight percent of the increase was attributable to population growth, twenty-nine percent to changing demographics, and forty-eight percent to changes in social welfare policies, particularly AFDC. There were changes in the income disregard, in median state AFDC and Food Stamp benefits, and other welfare policies. Primarily, the Earned Income Tax Credit and indexing for inflation were responsible for *reducing* poverty between 1989 and 1991. For children, irrespective of racial or ethnic status, almost sixty percent of the increase in child poverty was attributable to government policies of this kind. For white children, they accounted for close to half of the increase; for black children they explained 80%.

Income and other factors were considered by the Committee staff to contribute to increased child poverty. Most of the increase, for example, was among mother-only families. Changes in income reduced poverty in this group. *Low wages in employment accounted for nearly 100% of the poverty increases experienced during the 1990-1991 recession* — however, this and other influences were *offset by more liberal government social welfare policies.*

Some Conclusions from the GAO Study

Returning to the GAO's study, the researchers came to these conclusions:

- The poor were more likely to be single-parent families, those headed by a person with a disability, or nondisabled single adults without children.
- Demographic changes were increasing the proportion of these most vulnerable groups within the poverty population.
- Despite a greater work effort among certain high-risk groups, their increased real earned income was not compensating sufficiently for their loss of income from declining social insurance and means-tested assistance payments.
- Adding the value of Food Stamps and housing benefits, and subtracting federal and payroll taxes in calculating income for these families, did reduce the overall poverty rate in 1980 or in 1988. However, this recalculation had little impact on the trends described above, although it would have led to a higher estimated increase in the poverty rate for single-parent families because food and housing benefits removed fewer single-parent families from poverty in 1988 than in 1980. Subtracting child care, child support and state income taxes from family income affected overall poverty rates by less than one percentage point, even though these expenses represented a substantial fifteen to twenty percent of total income.

The GAO's 1991 report, *Mother-Only Families,* found that many single mothers are *likely to remain near or below the poverty line even if they work at full-time jobs.* They face low earnings, are particularly affected by layoffs and other work interruptions, lack important fringe benefits, and sustain relatively high child care costs. The GAO analysis indicated, as did the Congressional committee report, that the expansion of the Earned Income Tax Credit and child care subsidies could increase the percentage of poor families living without public welfare, but it suggested that *many poor single mothers would still need better job skills and higher earnings to move out of poverty.* They concluded as well that many of these mothers would likely need to rely on some level of income supplements, such as partial public assistance payments, food stamps and child support payments, to rise above the poverty level.

Overall, the major findings of the GAO report were these:

1. Poor single mothers in the GAO research sample tended to have less education and work experience than nonpoor single mothers, and therefore lower earnings potential. The

> [The results of the 1993 study by the Children's Defense Fund translate to] more substance abuse, more school failure, more teen pregnancy, more racial tension, more envy, more despair, and more cynicism—a long-term economic and social disaster.
>
> Marian Wright Edelman
> President of the Children's Defense Fund

low wage jobs accessible to them were less likely to provide health insurance and paid sick leave.

2. These women had more children, and younger children, than nonpoor women, therefore they had more difficulty finding and paying for child care, and were more likely to lose time from work. They clearly required more income to stay above the poverty level.
3. Nearly half of these women had not finished high school, whereas only 17% of nonpoor single mothers had not. On the Armed Forces Qualifying Test, three-fourths of these mothers had scores in the bottom half of the distribution for all women in their age group; nearly one-fourth were in the bottom tenth.
4. Young poor mothers averaged two years of work experience compared with five years for the nonpoor. This experience was frequently in short-term or part-time jobs. Over one-half had less than one year of full-time work experience. Lay-offs, difficulty in finding full-time employment, or reduced hours due to slack work, were making it hard for these mothers to achieve self-sufficiency. Among the poor women in the research sample who were not employed, 24% were looking for work; another 5% were not looking because they had concluded no work was available. Of those employed part-time, 30% said they could not find full-time employment.

In *Workers At Risk*, the GAO had concluded that by the year 2000 the economy would add another eighteen million jobs, but almost all would be in the service-producing sector where part-time employment is most likely to occur. Part-time workers represented 19% of all workers in 1988, but they represented 35% of all workers in service occupations. Even after controlling for education, gender and age, the GAO found that part-time workers earned less per hour. Of families headed by part-time workers, 21% had incomes below the poverty line. Forty percent of single-parent families who were part-time workers had incomes below the poverty line. Twenty-six percent received public assistance.

- Among poor mothers who had worked in the previous year, the median wage for poor mothers was $3.75/hour (in 1986 dollars), compared with approximately $6/hour for nonpoor single mothers.
- Seventy percent of full-time working mothers with preschool children had to pay for child care. Child care costs were amounting to 21-25% of income. Twenty percent of poor single mothers who were not in the labor force cited lack of child care as the reason they were not seeking employment.
- Thirty-five percent of employed poor single mothers were estimated to lack health insurance.
- If mother-only families were to escape from poverty, the GAO proposed, the majority would need supplemental income sources or job training that substantially raised their earnings. The GAO's estimates suggested that 40% of these mothers would likely need a supplement of $2,400/year, with 15% needing $1,200/year.
- Larger child support payments were considered to benefit these poor mothers. Only a third of this group received *any* child support, and the median amount received was only about $1,200/year. This was not enough to move most families out of poverty even though working.
- By 1994, the phase-in of the Earned Income Tax Credit was viewed as increasing the percentage of poor single mothers who could rise about the poverty level without public assistance by 29-37%.

Significant Studies on Single Parenthood and Poverty

Sara McLanahan, a well-known poverty researcher at the Institute for Research on Poverty at the University of Wisconsin has studied mother-only families extensively. In her 1988 working paper, "Mother-Only Families: Problems, Reproduction, and Politics," written with Karen Booth, she draws some conclusions from her own research and that of other poverty researchers regarding three aspects of these families' lives: their economic and social well-being, the consequences of their level of life quality for their children, and the role mother-only status plays in the politics of gender, race and social class. Based on a growing body of research, McLanahan summarizes some of the conclusions from studies in this way:

> . . . We know a good deal about the economic aspects of these families. We know that single mothers have higher poverty rates than other families and that a substantial portion of their poverty is a consequence of marital disruption. We know that single mothers bear most of the economic costs of their chil-

dren, even though their earnings capacity is limited by lack of work experience, sex discrimination in the labor market, and the high cost of child care. We know that, on average, children who grow up in mother-only families are less likely to complete high school and more likely to be poor as adults than children who grow up with both natural parents. Moreover, we know that a significant part of children's lower attainment is due to economic deprivation in their family of origin. Answers to other important questions are less clear . . .

For example, in addition to income loss, these mothers clearly *lose social status*. They are frequently forced to *relocate and find employment*, which creates new stresses and the loss of important social networks. Unlike working mothers who tended, in one of McLanahan's studies, to relocate in nonpoor areas, about 35% of black single mothers lived in areas where 20% of residents are poor, and 10% lived in areas where 40% are poor.

Researchers concerned about the effects of single parenthood on children continue to search for answers to additional questions. For example, some studies show that closeness between children and their divorced fathers tends to weaken following divorce, yet this does not seem correlated with changes in these children's academic achievements, social behavior or psychological well-being. There is extensive research indicating that it is *conflict within families* rather than simply living in a mother-only family that has negative consequences for children. However, *parental involvement and supervision* appear to weaken in single-parent families, even though sometimes mediated by the extended family.

Research on the intergenerational consequences of marital dissolution, McLanahan says, has been shaped by public and political attitudes as much as by research methods. However, she feels that research since the late 1970s has "moved beyond simplistic pathological and idealizing perspectives." It has emphasized that children in mother-only families are disadvantaged, but the disadvantages are outcomes of a wider range of influences than first thought. Socioeconomic status is clearly a major predictor of children's attainment but does not account for all the problems associated with family breakup. In some studies children did less well on standardized tests but the differences were minimal. Grade point averages and reports of negative behavior were more problematic for boys from single-parent families headed by women, but this was influenced as much by teachers' attitudes and judgments as by the characteristics of the children or their families.

Since the early 1980s, McLanahan suggests that new studies have indicated that children growing up in mother-only families are disadvantaged not only during childhood but during adolescence and early adulthood. These children *obtain fewer years of education* and are *more likely to drop out of school* than children in two-parent families. They have *lower earnings in adulthood* and are *more likely to marry early and have children early*, both within and outside marriage. Those who marry are more likely to get divorced, therefore to become single parents. And they are more likely to commit delinquent acts and abuse drugs and alcohol. It is significant that current research shows that the negative effects on children that appear to be related to mother-only status are consistent across racial and ethnic groups. However, McLanahan is quick to note that the relationship between socioeconomic status and socialization patterns will require much more extensive study, including its potential positives.

McLanahan advocates for *a redistribution of support for poor single mothers across a broader array of societal institutions*: the family, the market, and the state. She also thinks we must extend support to a wider range of mother-only families. "Dependency itself," she says, "is not the problem, but rather the loss of power and the feeling of helplessness that often accompanies it." She believes that ultimately a solution to the problems faced by mother-only families will require a reorganization of the sexual division of labor, which at present, she claims, places a disproportionate share of child care responsibilities on women, restricting their earnings capacity and economic independence.

Studies of the Relationship Between Earnings and Poverty

Many studies have examined this relationship, most reaching the conclusion that *low wage employment and inadequate earnings are the primary factors explaining the increase in family poverty*. An interesting 1993 study by Robert Haveman and Lawrence Buron for the Institute for Research on Poverty gives us a unique perspective on this issue.

The researchers began with a critique of the current definition of poverty, claiming that both theoretical and empirical work in economics recognized the limitations of viewing cash income as the primary measure of economic well-being. They proposed that a different indicator be used, namely the *Net Earnings Capacity*, which reflected potential real *consumption*, and adjusted for the *size and composition* of the family unit. Using this index they established a new definition of poverty, *Earnings Capacity Poverty* — that is, a family is poor if full use of its earnings capabilities would fail to generate enough income to lift the family out of poverty. They proceeded to explain how official poverty compares with Earnings Capacity Poverty (ECP):

They found that ECP rates grew more rapidly, in general, than official poverty rates over the 1973-1988 period. However, official poverty rose more rapidly for *children*. This pattern suggested a faster concentration of poor young children in families with low current *incomes* than in families with *low earnings capacity*, reflecting the substantial reduction in benefit levels in important family-based income transfer programs over that period. To explain this further, they looked at specific patterns of ECP.

Several conclusions emerged from their analysis:

- The rate of ECP in the U.S. between 1973 and 1988 grew more rapidly than the current income poverty rate (a 31% vs. 27% increase).

- The increase in the incidence of ECP came largely from groups generally viewed as relatively secure economically: whites, intact families, and those with relatively high educational levels. Conversely, the more vulnerable groups — minorities, mother-only families, and those with low education — had smaller increases in ECP than in official poverty.
- The patterns for children were quite different: for children younger than six and younger than eighteen, official poverty rates grew by 35% and 28% respectively, whereas ECP rates grew by 29 % and 22%.
- The percentage of children living in families that could not earn sufficient income to escape poverty was far higher than for all individuals and families. *Over 15% of America's young children were living in families that did not have the capacity to escape poverty by working and earning.*
- The highest ECP rates were concentrated among blacks (18.5%), Hispanics (11.9%), female family heads (32.7%, and mothers on welfare (56.3%). For some of these groups the rate of ECP was nearly as high as the official poverty rate.

According to the authors, the different patterns in the two poverty rates for the more vs.less vulnerable were consistent with research evidence produced by others on changes in male/female wage rates, cash transfer benefits targeted to female-headed families, and the work effort of spouses. They were also consistent with the large relative increase in joblessness and underemployment found for younger and older workers, with increases in work time and employment rates for those living in intact families, and with increases for whites and those with relatively high levels of education.

The researchers proposed that those with education, skills and life in two-parent families were able to escape the effects of wage stagnation over the 1973-1988 period by joining the labor force and increasing their work hours. The more vulnerable groups could have experienced substantial improvements in income, they say, if 1) there had been a more rapid increase in their job opportunities, or 2) they had chosen to utilize their increased earnings capabilities at higher rates than they did.

Some Conclusions from the Selected Studies Reviewed in This Article

The research highlighted in this article merely brushes the surface of the thousands of studies conducted over the past three decades to answer questions about the causes and effects of poverty in America. Looking at this highly selective sampling, we have to ask what seems to matter most in understanding disparities in life quality and opportunity. What appears to matter is outlined in Figure 1.

The specific nature of relationships among the influences noted above, particularly for individuals and families with differing life chances, characteristics and experiences, is always complex. Social policies have tended to be limited by polarized politics and short-term budgets to one or a small set of the influences outlined. Consequently, these policies can only be expected to *contribute* to a solution to poverty, not to reduce it single-handedly. Yet the American public is encouraged by the media and often by policymakers themselves to entertain higher expectations for these policies than they can possibly accomplish. Clearly, much more work is required by social scientists, policymakers and program designers in addressing the causes and effects of rising American poverty, and in developing interrelated, mutually reinforcing social policies — such as an overarching *national poverty policy.*

Editor's Note

For more specific information on the references in this article, please see the Resources Section.

Figure 1 • Influences on Social Disparity in America

Positive Influences	**Negative Influences**
Adequate basic education. High school diploma; some college.	Absence of high school diploma and further education.
Skills trainings, retraining, upgrading.	Lack of skill training and work experience.
Full-time, year-around employment. Adequate wages and work benefits.	Part-time employment and absence of fringe benefits.
Child support from absent parents. Adequate unemployment insurance and means-tested cash benefits.	Absence of or low level of child support.
Public supplementation of low-wage workers' earnings. Public assistance to low-wage workers re: child care and medical costs.	Declining public income support.
Tax reduction strategies, such as the Earned Income Tax Credit.	
General economic and job growth, low unemployment and inflation. Economic development efforts in communities where most are poor.	Economic growth without job growth, a rise in the wages of low-wage workers or an increase in jobs within the ability of workers to pay for transportation to and from work.
Nonminority status.	Minority status.
Living in a two-parent family.	Living in a mother-only family.
Living in a community where most are not poor.	Living in a community where most are poor.

A Perspective on Poverty: *Christopher Jencks*

A controversial but intriguing social scientist specializing in poverty research, Christopher Jencks is known for his independent thinking. There is an admirable consistency about his effort to moderate the extremes of political ideology through reliance on sound research, in understanding poverty and developing appropriate social policies to reduce it. Jencks's 1972 book *Inequality: A Reassessment of the Effect of Family and Schooling in America*, enraged many reviewers. He proposed that genetic factors likely exerted considerable influence on children's educational test performance, leading to one significant form of inequality. Some labeled this position racist. But a close reading of Jencks's work over the years reveals a careful study of poverty, and positions on a range of poverty-related issues that negate such labeling. In fact, Jencks's views are difficult to pigeonhole culturally or politically, some sounding decidedly conservative, others liberal. In all cases, Jencks's analyses inform us. This article provides an overview of some of the ideas in Jencks's most recent book, *Rethinking Social Policy: Race, Poverty, and the Underclass*, published in 1992 by Harvard University Press.

History

Jencks claims that the New Deal produced a cluster of programs intended to prevent nonpoor families from *falling into poverty*, whereas Johnson's Great Society programs were designed to assist the poor in *moving upward*. The shift in emphasis was from economic security to economic opportunity. The 'opportunity era' was characterized by the assumption that poverty was the result of *growing up poor*, and that education would guarantee movement out of poverty. These assumptions were not supported by social research, Jencks proposes, pointing to the Coleman Report of 1966 and the research conducted by Peter Blau and Dudley Duncan. These studies found only a weak correlation between education and later occupational status. The findings also discredited the widespread view at that time that poverty was largely inherited. While many were poor because they had difficulty moving up out of poverty, many others were poor because they had moved down into poverty. Given Jencks's longstanding interest in the relationship between schooling, equal opportunity and economic success, these studies caused him to rethink his liberal views about social policy.

In 1972, Jencks's rethinking led to *Inequality*. The book's basic argument was that *income* inequality among adults was not highly related to differences in adults' experiences as children. Family background appeared to play only a small role with respect to the variation in men's incomes. Even if everyone received exactly the same amount of education some would receive incomes far below the average, and not be able to afford basic life necessities. He concluded that there must be a redistribution of *money*, in addition to a redistribution of educational resources. Unfortunately no central government plan or structure existed in the years following his conclusion that created a flawless safety net. The working poor, for example, received almost no assistance. And Jencks contended that as long as liberal initiatives remained wedded to the equalization of opportunity, the debate would focus on means rather than ends.

On the other hand, conservatives were claiming that the American safety net had failed to distinguish between the *deserving and undeserving* poor, that governmental redistribution was unjust because it robbed the competent, conscientious wealthy in order to support those with no legitimate claim to assistance, and that such redistribution undermined people's incentive to acquire skills and work hard, leaving less to redistribute. Jencks saw both the liberals and conservatives of the 1960s and 1970s *as vastly oversimplifying poverty, giving more attention to ideology and values than to facts*.

Conservative criticisms of egalitarian social policy reached a peak in the 1980s. Jencks suggests that liberals needed to have modified their views by that time, based on empirical evidence, but instead they held to their previous positions, leading to "a grand debate" about poverty and welfare. Between 1983 and 1986, Jencks wrote a series of book reviews relevant to this debate in the *New York Review of Books*. One of these dealt with the work of conservative Charles Murray. These reviews shaped a new outlook on his part.

Parameters of the Debate

Murray's most publicized position was that the growth of transfer programs had impoverished poor people rather than enriching them. Jencks vigorously denounced this position based on empirical facts. But Murray also argued that building a safety net for nonworking single mothers had undermined traditional social values about marriage and work. Jencks tended to agree. This policy, he thought, had not provided single mothers with a *socially acceptable strategy* for supporting their families. *Neither had low wage jobs for single mothers provided family-sustaining wages*.

Jencks suggests that both conservatives and liberals will have to embrace more *ideological flexibility*. Conservatives will have to give up their presumption that single mothers and their children can survive without government help if only they had employment. Liberals will have to give up the idea that single mothers have a right to government help even if they are unwilling to take a low wage job. A more generous Earned Income Tax Credit, he says, may be one alternative, as well as guaranteed eligibility for public housing, a more generous Food Stamp allowance, and a Medicaid system families can join by paying a small percentage of their monthly income. When individuals cannot find work, public employment could be the answer.

However, Jencks avoids developing a coherent alternative to traditional liberalism or conservatism, settling instead for the single consistent message that *ideology alone leads to failed social policy*. We need to combine a few assumptions about how we think the world *ought* to work, he says, with a large number of assumptions about how it really *does* work.

In general, Jencks goes with cultural conservatism, economic egalitarianism and incremental reform! He favors traditional social norms about how people ought to behave in society. But he insists that as long as some people have to work at less than satisfactory jobs, others should not have the right to refuse them. Quoting from *Rethinking Social Policy*, "if a society cannot create broad consensuses about who is responsible for raising children and supporting them economically, it will soon have a lot of children for whom nobody takes much responsibility. Likewise, if we cannot maintain political consensuses about who is obligated to work and at what kinds of jobs, we will not be able to agree on a system for helping those we do not expect to work."

Furthermore, Jencks does not believe that a culture supported by "undiluted individualism," and which tolerates "selfishness and irresponsibility," can survive for long. He advocates that we develop a long-term strategy to deal with poverty which can be carried out through a sequence of small, logical, incremental steps that are interrelated politically and economically. *Political consensus, at each step,* should precede change.

The American Safety Net

Jencks defines Charles Murray's view that federal anti-poverty programs were not only ineffective but harmful as "the most persuasive statement so far of this variation of Social Darwinism." Most recently, Murray's position gave moral credence to budget cuts intended to reduce the deficit. Jencks devotes an entire chapter to refuting Murray's claim.

Murray selected 1965 as the turning point in terms of federal programs becoming fatal remedies. Basic indicators of well-being declined in the 1960s, he said, because federal policies made it profitable for the poor to behave in the short-term in ways that were destructive in the long-term. In addition, these policies masked long-term losses. They produced more rather than less poor. In making an assessment of this singular argument, Jencks cautions us to distinguish between the *material condition* of the poor, and their *social, cultural and moral condition.* Federal policies, he reminds us, were intended to raise the poor's material well-being. Contrary to Murray's view, the material position of the poor showed marked improvement after 1965, Jencks points out.

The Poverty Rate

Jencks uses the following evidence to make his case against Murray. The official poverty rate fell from 30% to 22% of the population in the 1950s, and from 22% to 13% during the 1960s. The official rate was still 13% in 1980, at which time the earlier progress stopped. Furthermore, these statistics *underestimate actual progress since 1965.* And official poverty statistics do not take into account the changes in families' need for money, given the availability of noncash benefits. These benefits essentially add indirectly to poor families' disposable incomes. When the Census Bureau values noncash benefits on the basis of what they save the recipient, it finds that these benefits lowered the 1980 poverty rate from 13% to 10%. Using this adjustment, the proportion of the population living below the poverty line was almost twice as high in 1965 as in 1980, and almost three times as high in 1950 as in 1980. Jencks concludes that Murray was wrong: the poor made a great deal of material progress after 1965. Also, there was a significant redistribution of medical care, which improved the poor's health.

Jencks maintains that this progress in material well-being and health occurred at a faster pace between 1950 and 1965 than from 1965 to 1980 because the economy slowed after 1970, lowering family income. Preferring not to acknowledge that economic decline affected large numbers of Americans, Murray rejected Jencks's explanation that even though a 4% increase in median income lowered net poverty by 1.2% because of expanding social welfare spending, median income grew so much more slowly after 1965 that the decline in net poverty also slowed. In fact, social welfare spending grew from 11.2% to 18.7% of GNP between 1965 and 1980. If all this money had been spent on the poor, poverty should have fallen nearly to zero, Jencks suggests — but not all of it *was*. This spending also covered programs intended primarily for the *middle class.* Only one-fifth of these funds was explicitly targeted to low income families, and only one-tenth was for programs providing cash, food or housing for these families.

A realistic assessment of what social policy accomplished between 1965 and 1980 must also recognize, according to Jencks, that demographic changes would have increased the poverty rate over that period, other things being equal. The number of people over sixty-five and the number living in families headed by women grew steadily from 1950 to 1980. Since neither group includes many employed people, Jencks points out that economic growth does not move either group out of poverty quickly. From 1960 to 1965, for example, economic growth lowered official poverty among households headed by women by 3%, whereas it lowered it to 5% for the nation as a whole.

Jencks also reminds us that AFDC changed substantially in that period. It became easier to combine AFDC with employment, and benefits rose significantly. Half of all persons headed by women were receiving AFDC by 1970. Nevertheless, the "deserving" poor (the elderly and disabled) were benefiting disproportionately, and their poverty rates were falling dramatically. The 1970s increased acceptance of a difference between the deserving and undeserving, with single mothers and marginally-employed men identified as the latter — even though single mothers fared better because of public support for their children's futures. However, benefits stopped keeping pace with inflation after 1972. *The welfare rolls did not increase any faster than the population after 1975.*

Murray claimed that keeping women off the welfare rolls would pressure them into acquiring education, skills and employment. Jencks says it did not. Since the group at risk was growing, families headed by women became a rising proportion of the poor. All told, Jencks's conclusions conflicted with Murray's in several ways:

- In conflict with Murray's claims, net poverty declined almost as fast from 1965 to 1980 as before.
- The decline in poverty after 1965, unlike the decline before 1965, occurred despite unfavorable economic conditions, and depended largely on government efforts to assist the poor.
- The groups that benefited from government efforts were precisely those individuals that policymakers desired *should* benefit — i.e. the elderly and disabled. The groups that did not benefit were the ones policymakers were not as interested in — i.e the undeserving poor.
- The improvements in material well-being among the poor took place despite demographic changes that should have made things worse.

Single Motherhood and Illegitimacy

Murray's contention was that changes in social policy, particularly in the case of the welfare system, were responsible for the increase in families headed by women and for rising illegitimacy rates after 1965. In general, states with high welfare benefits had less illegitimacy than states with low ones, Jencks says — even after these rates have been adjusted for differences by race, education, region, urbanization and other factors.

Jencks's research, and the classic studies conducted by David Ellwood and Mary Jo Bane, supported this conclusion. The level of a state's AFDC benefits had no measurable effect on its rate of illegitimacy. In 1975, three-fourths of all unmarried mothers under twenty-four lived with their parents during the first year after the birth of their baby. Women living with their parents were not likely to be concerned about the size of their welfare checks. High benefits did not widen the disparity in illegitimate births between women with a high probability of receiving AFDC and women with a low probability. Furthermore, there was no evidence that illegitimacy increased faster among probable AFDC recipients than among women in general. Illegitimacy has risen in American society at a steady accelerating rate since 1950. So Jencks concludes that Murray's explanation of the rise in single motherhood and illegitimacy was seriously flawed.

However, Jencks sees something else in the Ellwood and Bane studies. They show a significant effect for AFDC on the *living arrangements* of single mothers. It allowed them to move out of the parental home. The researchers also found that benefits appeared to increase the divorce rate slightly. The Seattle/Denver Income Maintenance Experiments had found some evidence of this as well. Jencks says this may be due, in part, to the fact that divorced women remarry more quickly in states with very low benefits. But the apparent relationship between high benefits and divorce has little relevance for Murray's thesis, he says. If changes in the welfare system were encouraging teenagers to drop out of school, have children, and avoid employment, as Murray suggests, Jencks recognizes that Murray would be right about the long-term cost of that behavior. But if welfare changes simply encourage women who were about to be or who were already in unsatisfactory marriages to separate or divorce, then one must rethink societal costs and benefits.

In Jencks's thinking, the empirical evidence against the welfare system centers on the tendency for high benefits to encourage single mothers to set up their own households, to end bad marriages, and possibly to make divorced mothers more cautious about remarrying. All these potential costs, he says, seem more like social benefits. He suggests that a common mystique is the idea that these women will be losers in the long-run because government *gives them more choices.*

Latent Poverty and Employment

Murray called the rise in the "latent" poverty rate (the rate if transfer payments were not counted) from 18% in 1968 to 22% in 1980 as "the most damning measure" of policy failure, because self- sufficiency is of primary importance in determining life quality. But Jencks says latent poverty increased because Social Security, SSI, food stamps and private pensions allowed more of the elderly to stop working and live on their own, which hardly undermined their life quality. Another reason Murray gave for the increase in latent poverty was that more women and children came to depend on AFDC instead of on a man. This, too, Jencks suggests wryly, may be in the best interests of life quality.

Murray's enthusiasm about the role of work led him to claim that government programs also reduced men's willingness to work. But there is no evidence, Jencks says, that AFDC contributed to rising male unemployment. Murray's own data showed that black men's unemployment rates fell during the late 1960s, despite the fact that black women represented nearly half of all AFDC funds targeted to low income families.

Jencks's Conclusions About the Safety Net

There is no question about Jencks's view of Murray's claims concerning the destructive effects of government programs: the position is indefensible. However, he credits Murray with raising issues we must address. Past social policies have not, Jencks says, struck a good balance between "collective compassion and individual responsibility." We have swung back and forth between these two ideals.

Murray's admonition that the promotion of virtue requires rewards was not lost on Jencks. It prompted him to say that few victims are completely innocent. Helping those who are not doing their best to help themselves, he goes on, poses difficult moral and political problems. Almost all of us in this society, he acknowledges, think it is better for people to work in order to be self-sufficient than not to work. On the other hand, he recalls that the U.S. has been a 'second chance' for many of our ancestors, and we have been committed to the idea that *people can change.* On balance, however, Jencks cautions us about giving too many second chances, since they can undermine people's motivation to do well the first time around. As Murray emphasized, no society can survive if it allows people to violate its norms without an application of sanctions — the 'system' is not always at fault.

Despite its general wrong-headedness, in Jencks's view, he sees Murray's *Losing Ground* as reframing the social policy debate:

- Murray asks whether our social policies actually *work.*
- He clarifies that a successful program must not only help those it seeks to assist, but must do it in a way that *precludes rewarding folly and irresponsibility, or vice.*
- He recommends that social policies must consider both *rewards and sanctions.*

The Urban Ghetto and The Underclass

Jencks turns to William Julius Wilson's work on the urban ghetto to develop his perspective. (Wilson was interviewed extensively regarding his series of books in Issue #5/6 of *Evaluation Forum.*) Wilson, he says, proposes this thesis about the *underclass:*

- Joblessness has increased among young black men partly due to fewer unskilled and semi-skilled blue-collar jobs in big cities where a large number of African Americans now live.
- The two-parent black family in central cities is disappearing because male joblessness has made marriage less attractive.
- Single parenthood and male unemployment have increased among poor blacks because the black middle class has been moving out of the ghetto.
- As a result of the above, black inner-city schools have deteriorated, ghetto businesses have closed, police receive less community support, job-seekers have fewer employed neighbors to help them find jobs, and youth have fewer role models that reflect central American values.

Jencks agrees with Wilson that these are important factors, but says they need to be *understood within a larger framework of cultural change.* What Jencks wants us to think about is the dramatic change in American attitudes in the 1960s : about sex, marriage, divorce and parenthood. This change persisted into the 1970s and 1980s, and is now well established. *The interests and rights of individuals,* he says, *began to overwhelm traditional mores and values.* For the privileged, this change did not create serious problems, and support for increasingly individualistic values gradually institutionalized them. Poor children suffered the most from the change. Jencks remarks that "once the two-parent norm loses its moral sanctity, the . . . [self-interest] . . . that always pulled poor parents apart often became overwhelming . . . It is the conjunction of economic vulnerability and cultural change that has proven disastrous."

There is also the issue of *historic prejudice and discrimination,* which Jencks feels exerts a larger influence than current discrimination. It has affected African Americans' *competitive* position. He points to information on black-white performance on standardized educational tests to make this point. When black and white parents are matched for years of education, occupation, income and family structure, white children still outperform black children, not only on vocabulary but on reading comprehension, arithmetic reasoning, and computational skills. Black children clearly know less than white children *when they enter school.*

There are a number of theories about causes, such as linguistic differences, parental neglect of children's cognitive development, a lack of self-confidence on the part of children due to long-term prejudice and discrimination, and poorer schools. *Social scientists simply do not know why,* Jencks concedes, just as they do not know why Jews learn more in school than gentiles, or Asian Americans learn more than European Americans. However, there is support for the conclusion that communities begin to decay when people make "narrowly self-interested choices." Jencks suggests that the unwritten moral contract between the poor and the rest of society is fragile at best. He is adamant that the solution is neither to tear up the contract or to deny that the poor are responsible for their own behavior. Wilson suggests *a revised social contract,* one that involves tighter labor markets, more job training, children's allowances, subsidized child care for working mothers, and other programs that "mainstream" the underclass. Jencks adds a commitment to *cultural change* to this contract, much as Jesse Jackson and other black leaders are now promoting.

The Underclass

Naming and defining an "underclass" is a relatively new phenomenon. Because experts use different criteria to rank people in society, different people are assigned arbitrarily to the social elite, middle class, lower class, and underclass. Jencks selects four indicators for assigning rankings: *income level, income sources, cultural skills and moral norms.* Whether we can say the underclass is growing depends on which indicator you study. Jencks suggests the following:

- *Income Level:* The underclass does not usually include the elderly poor, the working poor, or others who are poor through "no fault of their own:" *the impoverished underclass.*
- *Income Sources:* The underclass usually refers to people who get their money from irregular work, public assistance, crime and handouts: *the jobless underclass.*
- *Cultural Skills:* The underclass is usually considered to be people who lack the basic skills required to deal with America's major institutions: *the educational underclass.*
- *Moral Norms:* The underclass is often equated with people who appear

to be indifferent to three major middle class values — holding a steady job, postponing childbearing until marriage, and refraining from violence.

Many Americans think of the underclass as nonwhite. Using the indicators above, Jencks makes it clear that *the underclass includes considerably more whites than nonwhites,* even though whites are seldom a majority in underclass neighborhoods. On the other hand, nonwhites are more likely to live in racially segregated neighborhoods and to have underclass characteristics.

The "impoverished" underclass is generally viewed as the undeserving subset of the poor. There has been much speculation, Jencks says, about whether this segment of the poverty population is growing. Researchers have found no clear trend through the 1970s. About one-third of urban families who were poor in one year escaped poverty the following year — although many fell back into poverty in some subsequent year. Jencks found no systematic statistical changes between 1967 and 1972, or between 1981 and 1986, in the proportion of children living in families whose mean income over a six-year interval (including Food Stamps) fell below the poverty line. But there were racial differences. The estimated incidence of long-term poverty in 1967-1972 was 30% for black children; 4.4% for white children. In 1981-1986 it was 38% for blacks; 5% for whites.

Many believe that poverty is becoming more "hereditary" but Jencks says the evidence refutes this. Blacks represented 31% of the poor in 1967 and in 1988. Black poverty has simply become more urban, he argues. However, more poor households had *socially acceptable* reasons for being poor in 1968 than in 1987; 74% in 1968 and 54% in 1987. Even though Jencks is quick to comment that these estimates are based on arbitrary definitions, some of which are not entirely just, from a policy perspective it is important that a declining proportion of poor families were defined *by the public* as deserving in the 1980s.

> If a society cannot create broad consensuses about who is responsible for raising children and supporting them economically, it will soon have a lot of children for whom nobody takes much responsibility. Likewise, if we cannot maintain political consensuses about who is obligated to work and at what kinds of jobs, we will not be able to agree on a system for helping those we do not expect to work.
>
> Christopher Jencks
> in ***Rethinking Social Policy***

Underclass Male Joblessness

Sociologists have traditionally viewed chronic joblessness as a major characteristic of the lower class and underclass. It places individuals outside the mainstream of the occupational system. Jencks amends this judgment. It is the *combination of chronic joblessness and inadequate income that moves men into the underclass.*

Based on Jencks's research, among prime age white men (aged 25-54) the rate of short-term joblessness shows no clear trend from 1963 through 1987, hovering around 7% except during recessions. Long-term joblessness, however, has risen from 2% in 1963 to 5% in 1987. *The business cycle appears to have very little influence on long-term unemployment.* For black prime- age men, short-term joblessness is more common than for whites, but there is no clear upward trend. In contrast, there is a significant upward trend, much steeper than for whites, in long-term black joblessness *after* 1969. *And the business cycle has more influence over the employment experiences of these men than for whites.* Furthermore, Jencks indicates that the Current Population Survey is likely underestimating long-term black joblessness because it does not include the inmates of prisons or mental institutions — these men are more likely than others to be jobless when not in these institutions. The CPS also misses a substantial number of jobless men who are not heads of households, he says, such as homeless men and men temporarily living with partners.

It is clear also, from Jencks's viewpoint, that *long-term joblessness is related to educational status,* particularly high school completion. Men with lower wages also worked fewer weeks out of a year. What we do not know is why these things are so. We do know, he says, that wages have become more unequal since 1970. Any increase in inequality will mean that fewer men can find jobs that pay enough to make work seem worthwhile. This could be a partial explanation for the decline in male employment.

Jencks adds that the research suggests that long-term joblessness increased a black man's chances of being poor by about 40% in the early 1960s. Poverty among jobless black men declined during the late 1960s, but it declined at the same rate for men who were working, leaving the net economic benefit of working unchanged. This persisted throughout the last two decades.

In terms of the geographic distribution of poor jobless men, Jencks claims it is fairly clear from the data that the proportion of prime-age men who were both long-term jobless and poor approximately doubled between 1963 and 1987, and that there was a much larger absolute increase in the worst economic areas. This was in the context of significantly reduced disparities between blacks and whites in reading skills and high school graduation rates since 1970.

Black joblessness rose even with real wages held constant. Jencks explains this as a product of discrimination, and possibly the decreasing willingness of black men to accept poorly-paid menial jobs. Since fewer black men are living with a wife and children, they may have less incentive to take a job they do not want. Illegal work does not seem to be an explanation, Jencks asserts. Blacks' share of illegal income has not grown over the period in question, and arrests fell in the 1970s, rising only incrementally during the 1980s.

With Wilson, Jencks concludes that the movement of jobs from central cities to the suburbs explains much of youth unemployment. But Jencks again wants us to see the context. Rising long-term joblessness is not the unique experience of minorities in depressed areas. It increased for all age groups after 1970 and kept rising during the 1980s. The same trend was occurring among all but the best-educated whites, and among black college graduates.

Welfare

In *Rethinking Social Policy,* Jencks ends his analysis with a commentary on the welfare system. Based on his research and that of his colleagues, he arrives at the following conclusions:

1. Few families can make ends meet on welfare and food stamps alone, *given historical low benefits* and recent *declines in these low benefits.*
2. Breaking welfare rules regarding the reporting of all sources of income is a byproduct of *being on welfare with inadequate benefits,* not exposure to a deviant subculture. Neither family background nor race nor living in an unsatisfactory neighborhood influences a welfare recipients' willingness to break the rules.
3. The welfare system allows single mothers to keep their children if they can supplement their welfare check and conceal this from the welfare department. If we prevent such supplementation, *more mothers will have to give up their children.*
4. Because unskilled welfare mothers' potential earnings are so low, *work lacks an economic pay-off* for those who follow welfare rules. "The essence of the 'welfare trap' is not that welfare warps women's personalities or makes them pathologically dependent . . . The essence of the trap is that . . . low-wage jobs pay even worse."
5. Welfare families, on average, need goods and services costing an average of $12,000/year. If they are working in legitimate jobs, they would need an additional $800 for medical bills, $300 for clothing, $500 for transportation, and $1,200 for child care — or a total of $16,000/year, which is the poverty threshold the public set for families in a recent Gallup survey. If welfare mothers earned $6/hour they would have to work 2,667 hours/year. If they worked every week and took no vacation, they would have to put in 51 hours/week. Without additional help, the average welfare mother cannot be self-sufficient.
6. The evaluations of work/welfare initiatives indicate that 1) most training programs for welfare mothers have been part-time, short-term and inexpensive; 2) most have raised welfare recipients' annual earnings enough to justify their modest cost; 3) most produced only small increases in earnings (at most $2,000/year in 1989 dollars), and 4) because of the small income benefits most did not move many mothers out of the welfare system.

Jencks says we should stop expecting low cost programs to work miracles. *A universal job training program that is longer-term and more intensive may,* he suggests, *make a real difference.*

He also recommends against punitive welfare policies: "The generosity or stinginess of the welfare system has almost no effect on a states' illegitimacy rate and only a modest effect on the number of single mothers." Beyond that, a punishing strategy will only increase material hardship. We should concentrate, he believes, on helping those who work at low-wage jobs by *providing universal basic education and job training; raising the minimum wage; strengthening child support enforcement; allowing all eligible single mothers to collect AFDC regardless of how much outside income they receive* (a policy he understands is politically impossible).

His preference is to construct a *new* system, one that concentrates on helping all parents who work in low-wage jobs — through government-subsidized or assisted fringe benefits. These benefits would:

- Provide cash income by way of the Earned Income Tax Credit.
- Provide tax credits for child care expenses if the adults in the family work full-time.
- Allow all low-wage workers to purchase Medicaid coverage for 5% of their incomes, or universal health insurance with premiums tied to income.
- Give all parents who work a tax credit for housing expenses.
- Provide mortgage subsidies for working parents who buy homes in low-income neighborhoods.
- Provide disability benefits for women who are clearly unemployable.

This is his long-range agenda for addressing poverty.

What Is the End Product of Jencks's Rethinking of Social Policy?

Jencks provides evidence that not everything has gotten worse for people at the bottom of the class system since

1970 — "economic conditions have deteriorated for workers without a higher education, and two-parent families have become scarcer, but welfare dependency has not increased since the 1970s, and illiteracy, teenage motherhood and violence have declined somewhat or remained the same." But he admits that these trends do not fit together in any simple fashion. He says we use class labels, like 'a growing underclass,' precisely because we want to render the world simpler than it really is.

The policy strategy Jencks recommends is an examination of the poverty population's problems *one at a time*, asking *how* each has changed and *what is responsible* for the change. He predicts we will find relationships among factors weaker than class stereotypes lead us to assume. It is interesting that in this era of "comprehensive" strategies Jencks appears to support a new form of incrementalism. He feels we must search for a new realism in the way we view the poor's problems and be willing to endure an immense amount of trial and error. If we cannot tolerate and manage piecemeal reforms, he says "looking for meta-solutions is almost certain to be time wasted so far as the American underclass is concerned. If we want to reduce poverty, joblessness, illegitimacy, violence or despair, we will surely need to change our institutions and attitudes in hundreds of small ways, not in one big way."

Editor's Note

For those interested in pursuing Christopher Jencks's ideas further, please see:

Jencks, C. and K. Edin. "The Real Welfare Problem," in *American Prospect*, Winter 1990.

Jencks, C. and P.E. Peterson (Editors) *The Urban Underclass*, Washington, D.C.: The Brookings Institution, 1991.

Jencks, C. and S.E. Mayer. *Poverty and Hardship in America*. (Forthcoming)

For other books noted in this article, please see the Resources Section. Also see the interview with William Julius Wilson in *Evaluation Forum* (#5/6).

Reducing Poverty: General Approaches

Given what we know about poverty, what are our policy choices in addressing rising poverty? This article gives attention to two general approaches to problem-solving in the poverty area: those examined by Theda Skocpol and Robert Greenstein in *The Urban Underclass*, edited in 1991 by Christopher Jencks and Paul Peterson.

Skocpol is an advocate of *universalism*. Greenstein appreciates the benefits of taking a universalistic approach in reducing growing poverty, but finds virtue in *targeting*. Their views mirror a debate over antipoverty approaches that has persisted for decades.

The *Universal* Approach

Skocpol relishes the new interest in poverty issues, but cautions those focusing on poverty in the 1990s to avoid the resurrection of the "flawed presumptions and tactics" of the War on Poverty and the Great Society. The greatest hope, she feels, lies with those proposing "universalism" rather than "targeting" — that is, those who advocate for broader social programs that include nonminorities and the middle class as well as the economically disadvantaged.

She refers to the work of William Julius Wilson to bolster this argument, suggesting that we must improve the poor's life chances and condition by emphasizing strategies that are publicly acceptable and appeal across ethnic and class lines to the more advantaged groups in society.

Critics of universal programs, however, point to the greater cost of widespread benefits, and their likely disproportionate distribution to those who do not really need them, bypassing those who need them the most. These captious analysts claim that only highly concentrated and comprehensive benefits and social services that are developed especially for the poor will be successful.

Skocpol laments that these advocates for targeting give too little attention to the need to create and maintain sustained political support for policies that uphold targeted benefits and specially-tailored public social services. Furthermore, they do not provide a rationale for the perceived inequity represented by little or no public assistance to working-class families who are struggling economically but have to pay taxes for programs directed to the poor. And they seem unconcerned about low income voters who may stereotype and reject the poor on those grounds. Skocpol claims that the latter is a tendency well documented by cross-national research, which finds that universal programs are more sustainable in mixed economy democracies even though they are more expensive.

The history of U.S. social policies leads the author to these conclusions:

- Antipoverty policies that have been targeted on the poor alone have not been politically sustainable, and have stigmatized the poor — examples being poorhouses, widows' pensions, early AFDC, and even the broader income transfers of the Johnson and Kennedy eras.
- Some universalistic social policies have been very successful — examples being public education and the broadly-defined social security system.
- There is flexibility within certain universal policy frameworks which permits the provision of additional benefits and services to less privileged individuals and families without stigmatizing them. The author terms this third conclusion "targeting within universalism."

Skocpol moves from these basic conclusions, rich in assumptions, to her proposal that new policies "speak with a consistent moral voice" to all Americans who would receive benefits and to all taxpayers. These policies, she says, should "reinforce fundamental values" such as rewards for work, opportunities for individual development and growth, and commitments to family and community responsibility for the socialization and care of children and other vulnerable people. These policies, she believes, can create new opportunities for more targeted efforts within them.

She recommends *a family security program available to all children and working-age citizens.* This program would include child support assurance for all single custodial parents, parental leave and child care assistance for all working families, job training and relocation assistance for displaced workers and new entrants to the labor market, and universal health benefits.

Some advocates of universal programs such as the one Skocpol proposes favor the inclusion of guaranteed jobs at the minimum wage, as a last resort. But the author thinks this would stigmatize the system as a "lower-class make-work program". Public funding to increase job creation in the private sector, such as in infrastructure development, would be more politically acceptable and less demeaning. The same would be true for further expansion of the Earned Income Tax Credit, which amounts to targeting-within-a-universal-system. Universal health insurance could be classified similarly.

Unfortunately, Skocpol confesses, the present budget-cutting era is not likely to befriend higher-cost universal programs. On the other hand, she is confident that Americans would accept taxes for such an approach if they perceived that it was clearly in their own self-interest. She suggests that new universalistic programs could be introduced gradually, first on a modest scale, based perhaps on a family security payroll tax collected up to a higher wage base than current social security taxes. New sources of revenue could be identified or created, which involve contributions from virtually all the population. But she acknowledges that political support is weak. Broad, active legislative alliances and lobby groups still prefer a targeting approach, and conflict across their differing agendas undercuts a universal strategy.

In the meantime, the separate ingredients of a national policy are gaining acceptance, she insists, exemplified by the concept of universal health care, and welfare reform strategies that include a larger outlay for education, training and public service employment, Skocpol sees a universal system composed of elements such of these as setting new norms for the poor that would be beneficial in the long run — i.e. that would "facilitate their moral reintegration into the mainstream of national life" — even though initially the poor might not receive the benefits and services they need as compared with the middle class and near-poor. She also proposes that universal policies would change the attitudes and behavior of those more privileged, supporting the redirection of political interest groups toward advocacy for extending, increasing and/or revising the benefits of a universalistic approach, and specific targeting within it.

Greenstein's Position

Greenstein acknowledges that some of Wilson's and Skocpol's arguments "ring true." Universalistic approaches do engage stronger and broader constituencies, and they tend to be less stigmatizing of the poor. But he disagrees with some of Skocpol's interpretations of the history of antipoverty efforts. Medicaid, Supplemental Security Income (SSI), Food Stamps, the Earned Income Tax Credit and other major low-income-targeted programs have been quite successful, he points out. He directs us also to factors in addition to whether a program is targeted or universal that matter a great deal. The political strength of the approach, the degree to which programs are perceived as providing an earned benefit or are otherwise linked to work, the extent to which they are federal entitlements, their evaluated effectiveness, and whether they are provided to employable people who do not work — all of these influences affect the judgment of approaches.

Joining many other social scientists, Greenstein disagrees with the notion that the programs of the 1960s and 1970s failed to reduce poverty rates. Many of these programs were designed to reduce poverty among the elderly, and they did so. They appeared also to have changed the health status of the poor. As many poverty researchers have contended, the failure of the poverty rate to decrease after 1973, and to rise following 1978, was related to general income stagnation, the erosion of wages, the increase in the proportion of families headed by single women, and the large decrease in real benefit levels provided by states under AFDC which could not be offset by Food Stamps, Medicaid and SSI.

The author also quarrels with Skocpol's assertion that the conservative backlash in the 1980s weakened means-tested programs. The Reagan budget cuts reduced the benefit levels but the Congressional Budget Office reported that significant expansions in Medicaid began in 1984, and other programs, such as Food Stamps, SSI, child nutrition programs, and free school lunches fared better than Skocpol implied. AFDC, it is true, was significantly affected by budget cuts, although moderate restorations were made in the late 1980s. Overall, the major entitlement cuts since 1983 came from non-means-tested programs — i.e. Medicare and other universal entitlements. Unemployment Insurance benefits, however, were never really restored. Therefore, Greenstein wonders about the veracity of the position that there was a major conservative backlash against the targeted programs of the 1960s and 1970s.

The author also faults Skocpol for her comparison of "politically robust universal programs" vs. "relatively fragile means-tested programs." She is comparing apples to oranges, he says, in pitting universal programs providing entitlements to targeted programs that are not entitlements and must have their specific funding levels determined each year. Low-income entitlements generally bounded back from the Reagan cuts. They proved to have enduring political strength. Low- income non-entitlements did not do so well. The reductions were concentrated in employment and training, housing and community development, and programs providing social, legal and energy assistance. However, non-entitlement programs serving a broader population were cut seriously also.

Greenstein has difficulty as well in accepting Skocpol's comparison of the political success of Social Security with the problems of targeted non-entitlement programs that are not focused on the elderly and are not considered 'earned' benefits. It would be better, he states, to compare the political strength of a universal program for the elderly (Social Security) with a means-tested program for the elderly (SSI). SSI fared better than Social Security in the 1980s in terms of budget cuts. Greenstein claims that Skocpol has not recognized that 'success' is easier to achieve through a check than through education, training or social services. It is likely that the public's perception that many Great Society service programs were ineffective in itself made them politically weak and vulnerable.

Looking back at the patterns etched in applying universalistic vs. targeted strategies, Greenstein cites the lessons we may have learned: 1) *a critical element is the public's perception that a program is earned, whether it is universal or targeted* (Social Security, a universal program, is an example), and 2) *the nature of the services provided may be more important in generating political support than the service delivery strategy* (the WIC program for women, infants and children, a targeted program, is an example.)

The Family Assistance Plan, a universalistic negative income tax strategy proposed under Nixon, was highly controversial, he points out, but the Earned Income Tax Credit, a targeted tax credit program, passed the Congress with little opposition. He explains the difference in political support in terms of public interpretations: the EITC was actually one form of a negative income tax but it was presented and perceived not as an unearned welfare benefit but as a benefit to low-income working families and as "an antidote for the supposed attractions of welfare." The expansion of Medicaid in 1984 to additional categories of individuals moved Medicaid closer to the EITC concept because it now included near-poor and poor working families and involved health services. The same political support extended to the new refundable health insurance credit for low to moderate-income working families with children. The inclusion of the working poor and low-earnings families and the focus on health services were significant elements increasing this targeted programs' public acceptability.

The author comes to these conclusions about the universal vs. targeted program debate:

- In general, universal programs do have more success politically, but targeting does not necessarily make a program politically unsustainable.
- The political vulnerability of targeted programs applies mainly to cash welfare programs for the non-elderly, non-disabled, and nonworking or marginally working.
- Delivering benefits through the tax system rather than through the welfare office significantly increases programs' political acceptability.
- If targeting is considered important, it is useful to avoid a narrow focus on the poorest individuals in society. Including working families and low-income elderly and disabled, who can be prevented from falling into poverty, can be important to its success. (The Food Stamp program is an example.)
- Avoiding the targeting of a particular geographical segment or constituency of the country is also key to success. (Focusing the low-income home energy assistance program on the northern states, which was logical, was a factor in weakening its political support.)
- The federally-prescribed indexing of program benefits to inflation, as compared with benefits whose levels are set by the states, is also critical to the political sustainability of a program. (SSI benefit levels rise with increased inflation. In most of the twenty-seven states providing SSI payments, state payment levels have fallen far behind inflation over the past fifteen years. Whereas Social Security is viewed as an entitlement and has been politically durable, SSI has not been so viewed and is highly vulnerable to state politics.)
- Programs providing cash benefits appear to be more vulnerable than those providing politically-acceptable services.
- Entitlement programs fare better than means-tested programs.
- Programs found to be effective on the basis of evaluation research are more acceptable politically. (WIC, Head Start and the Job Corps are examples.)

What Greenstein intends with his analysis is to redirect our thinking away from a simplistic debate over which approach is better strategically and toward a more informed investigation of the critical and more complex factors underlying political support for antipoverty strategies. However, he is forced to conclude that although universal strategies have the edge in terms of the factors he has examined, their sheer cost overrides these advantages.

In addition to the budget constraints imposed by the Gramm-Rudman-Hollings law, 1990 budget legislation required that any expansion of one entitlement program must be offset through corresponding reductions in another, or through tax increases. Therefore new universal programs will likely involve tax increases, particularly in the context of budgets such as the Clinton budget for 1994. This budget seeks consistency with the new deficit reduction goals. Greenstein illustrates the budget problem with the defeat of catastrophic health insurance legislation, which was introduced in a comparable fiscal environment. In 1994, health care reform will likely pose a similar challenge.

But Greenstein does not regard the tax aspect of universal programs as precluding universal policies. Clearly strategies such as parental leave, child support enforcement and refundable child care tax credits can be mandated without severe political side-effects.

Yet an antipoverty policy that relies exclusively on universal programs would leave most of the working poor with incomes below the poverty line. Such a policy would not help those with limited education and skills sufficiently, nor would it adequately benefit many welfare families. *Consequently, his ultimate recommendation is to combine universal and targeted approaches.*

Universal health care and assured child support, he says, could be combined with targeted approaches such as 1) further expansion of the EITC, increased child care, and housing assistance for low- to-moderate-income working families, and 2) increased funding for Head Start, WIC, childhood immunization, prenatal health care, compensatory education for disadvantaged children, and other early-intervention programs that are considered effective based on evaluations and which are gaining in political support.

The overriding goal of this combination of strategies, he suggests, would be to ensure that full- time, year-round work can lift family income above the poverty line. Excessive child care, health care or housing costs should not be allowed to drive these families back into poverty. He adds that within this policy package there would need to be an array of highly-intensive services for people with serious employment and economic barriers, since families may never get to the point where they can remain above poverty even with a set of universal earned entitlements. He gives the redesign of JTPA as an example of an increasingly intensive program targeted more specifically to disadvantaged youth and those with the more severe employability problems. Greenstein is convinced that universal programs, for all their political stability and other advantages, provide limited benefits to the most seriously disadvantaged.

Editor's Note

This article is based on the following:

Skocpol, T. "Targeting Within Universalism: Politically Viable Policies to Combat Poverty in the U.S.," in *The Urban Underclass*, edited by C. Jencks and P. Peterson. Washington, D.C.: The Brookings Institution, 1991.

Greenstein, R. "Universal and Targeted Approaches to Relieving Poverty: An Alternative View," in *The Urban Underclass*.

For additional information on the universal vs. targeted program controversy, please see:

Danziger, S. and D. Weinberg. *Fighting Poverty: What Works and What Doesn't.* Cambridge, MA: Harvard University Press, 1986.

Levitan, S. and C. Johnson. *Beyond the Safety Net: Reviving the Promise of Opportunity in America.* Cambridge, MA: Ballinger, 1984.

Schorr, L. and D. *Within Our Reach: Breaking the Cycle of Disadvantage.* Anchor Press, 1988.

Weir, M., A. Orloff and T. Skocpol. *The Politics of Social Policy in the United States.* Princeton, NJ: Princeton University Press, 1988.

The Underclass Poor

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Inner-City Ghetto Poverty: A Re-Examination

William Julius Wilson, an internationally respected sociologist at the University of Chicago who specializes in underclass poverty issues has written extensively on the relationship between socioeconomic factors and underclass status. His classic books, *Power, Racism and Privilege* in 1980 and *The Truly Disadvantaged* in 1987, profoundly influenced our understanding of severe poverty and redirected policy efforts to ameliorate it. In 1993, Wilson edited another important book, *The Ghetto Underclass*, which reflected work done by some of the most competent poverty experts in the U.S. This article is a review of selected parts of the book, beginning with Wilson's discussion of its content and significance.

Background

Wilson sets the historical stage in this way: the controversy over Daniel Patrick Moynihan's report on the black family in the late 1960s intimidated liberal scholars and led to a neglect of the problems of dislocation in the inner-city ghetto. Consequently a study of these problems was left to conservative analysts. The result was a shift in perspective away from a focus on *causes within the social system* to an emphasis on *the character flaws of individuals and families entrenched in a welfare subculture*. Within the conservative view, the underclass poor had only themselves to blame for their condition in society.

After almost two decades of inattention to inner-city poverty by serious academic social scientists, conservative views, dramatic media coverage and rising crime in inner cities again drew public attention to American urban poverty. These forces encouraged researchers such as those contributing to Wilson's book to study more systematically the complexities of ghetto poverty. The general tone of this contemporary research contrasts with the strong conservative stress on individual attributes. It hones in on the structural cleavage that separates those living in ghettoes from other members of society, and on the limited opportunities and other societal constraints that shape the quality of their lives. A major theme is the effect of *the dramatic rise in inner-city joblessness and increased social and economic isolation.*

Lawrence Mead, a member of the political science faculty at New York University and a contributor to Wilson's book, argues that work opportunities are widely available and therefore one cannot blame inner-city joblessness on limited access to employment. He maintains that it is inconsistent work — intermittent, part-time, less than year-round work — that is a major explanation for high inner city poverty and jobless rates. Wilson says Mead makes the unwarranted assumption that there is a "disinclination . . . both to accept and retain available low-wage jobs because ghetto residents do not consider menial work fair or obligatory."

What the Accumulating Evidence Tells Us

John Kasarda, another contributor to Wilson's book, rejects Mead's assumption out of hand. Chairman of the University of North Carolina sociology department and director of the University's Center for Competitiveness and Employment Growth, Kasarda examined data from the Census on urban industrial transition. His analysis showed that although employment increased in every occupational classification in the *suburban areas* surrounding selected northern cities, *blue-collar, clerical and sales jobs declined sharply* in central cities between 1970 and 1980 despite substantial growth in managerial, professional and higher-level technical and administrative support positions.

These changes, he found, led to *precipitous declines in jobs filled by persons with poor education,* and rapid increases in jobs filled by those with some level of college training. The change impacted the black urban labor force disproportionately, since urban blacks were overrepresented among those with less than a high school education. A high school degree had by this time become the minimum standard for black entry into the labor force.

Kasarda's findings rejected an earlier thesis that it was *race* rather than *space* that determined differences in black-white employment rates. His studies showed that blacks with less than a high school education in the suburbs around central cities experienced substantially lower unemployment than blacks within the central city, and that this disparity has widened since 1969. Compared with less-educated whites, comparable blacks must sustain considerably longer commuting distances in reaching suburban jobs and are highly dependent on access to a private car to reach them.

Joblessness and Employment: Further Evidence

The research conducted by other contributors to *The Ghetto Underclass* supported Kasarda's findings. There is mounting evidence, Wilson claims, that *a strong relationship does exist between increasing joblessness and limited employment prospects in the inner city.* Marta Tienda's research on the inner city Puerto Rican experience reaches similar conclusions. A sociologist at the University of Chicago and associate director of the Population Research Center, Tienda found that Puerto Ricans have experienced a sharp decline since 1970 in jobs they traditionally held, and an overall decline in jobs associated with industrial restructuring in areas where they were concentrated in central cities.

Some analysts have attributed declines in jobs for blacks and other minorities to immigration patterns and related increased competition for low-wage jobs. Research conducted by Robert Reischauer, a poverty specialist and director of the Congressional Budget Office, revealed no evidence that this was so. No negative effects were detected on unemployment, wages or earnings. However, he recommends further research on this issue, looking at internal migration, working conditions, labor force participation and fringe benefits.

Other Effects of Joblessness

Some of the contributors to Wilson's book have studied *correlates* of joblessness and less-than- adequate employment. Mercer Sullivan, a senior research associate at Vera Institute of Justice in New York City has been concerned, as has Wilson, about the heavy conservative emphasis on causal theories focusing on flaws in the underclass individual. Although his research confirms the significant relationship between a lack of education, appropriate employment opportunities and underclass poverty, he feels too much attention may have been given to *macroeconomic* structural causes, which could lead us to ignore the importance of *cultural* factors. We could downplay ghetto residents' "unique collective responses or adaptations to economic disadvantage, prejudice and the problems of raising a family and socializing children under ghetto conditions." His research therefore looks not only at joblessness but at the relationship between the structural constraints in the political economy *and* the individual and collective cultural choices and strategies that are selected within ghetto communities.

Sullivan found a strong relationship between the poverty of female-headed households and a general lack of adequate employment. His findings suggested that some of the effects of structural economic barriers could be reduced by *traditional ethnic values.* He feels, as do some other researchers, there is likely to be a difference between lone individuals being exposed to employment problems of this kind, and individuals *influenced by the reactions of groups of similarly affected individuals.* The issue is whether a ghetto resident is reacting to two interwoven forces: individual effects and collective (cultural) effects. One outcome of such double jeopardy, Wilson suggests, is *social isolation,* a lack of contact and exposure to one another between groups with different class and/or racial characteristics and experiences, which tends to enhance the effects of living in an area of highly concentrated poverty.

Oscar Lewis's "Culture of Poverty" Theory

Wilson is quick to correct any impression that he and Sullivan are referring to the 'culture of poverty' perspective put forward by conservative analysts of the 1980s. The kind of sociocultural isolation they suggest can develop in the ghetto does not imply that the kinds of ghetto attitudes and practices that are frequently criticized by Americans 'take on a life of their own' and persist beyond improvements in economic opportunity. Wilson sees them as amenable to change with greater efforts to resolve structural economic inequalities.

The term 'culture of poverty' originated with Lewis' chapter in *On Understanding Poverty: Perspectives from the Social Sciences* edited by Daniel Patrick Moynihan in 1968. Lewis proposed that there was a cluster of cultural traits that emerged in poverty areas in non-welfare-state capitalist societies that was highly individualistic and class-stratified. These traits were a product, he said, of these conditions:

- A sizable unskilled poorly-paid labor force.
- High rates of unemployment and underemployment.
- Few organizations to protect the interest of the poor.
- Advantaged classes that value upward mobility and the accumulation of wealth, and who relate poverty to individual inferiority.

These conditions purportedly shaped the attitudes and behavior of the poor into a particular design for living that became institutionalized and passed *from generation to generation*. The assumption that an economically-driven subculture was being crystallized and transmitted intergenerationally led Lewis to conclude that ghetto children were doomed from the start — they were made less capable of taking advantage of economic opportunities even if and when these presented themselves.

Single-Parenthood

In *Soulside: Inquiries into Ghetto Culture and Community*, Ulz Hannerz suggests that it is certainly possible, though highly debatable, that ghetto fathers' desertion of mothers and children, and the high tolerance for psychological and cultural pathology in the ghetto, are products of *cultural transmission*. Beyond that, he feels it would be very difficult to think that unemployment, underemployment, low income, a persistent shortage of cash, and crowded living conditions are due to *cultural learning*. His position is that Lewis failed to draw a critical distinction between *causes* and *symptoms* — i.e. what matters in terms of objective poverty (poverty that is the result of structural constraints outside the control of the individual) vs.what matters in terms of the way people *learn to cope with* objective poverty.

Elijah Anderson, a sociologist at the University of Pennsylvania and associate director of its Center for Urban Ethnography, focused his research on the sex codes of black inner-city youth, which provides insights about cultural issues. He found that young black men in the inner city faced very limited job prospects and could not readily assume the roles of breadwinner and reliable husband, roles expected of men in the larger society. Therefore they bonded with their same-sex peers and retreated from enduring relationships with girlfriends. In this milieu they affirmed their manhood through peer group interaction, through demonstrating that they have casual sex with many women, and have been successful in getting one or more of them to have *their* baby. Casual sex in the ghetto is not goal-less activity. It has significance in terms of adolescent socialization needs, and its context is the inability of black youth to fulfill mainstream male roles.

Ghetto Poverty, Single Mothers and Welfare

Research conducted as part of the University of Chicago's Urban Poverty and Family Structure Project yielded evidence that male joblessness was an important influence on never-married parenthood trends in urban ghettos. Employed fathers across all ethnic groups were two and one-half times more likely than non-employed fathers to marry the mother of their first child. High school graduates were more likely to marry than high school drop-outs. These findings suggest that the marriage decisions of inner-city couples were influenced by current economic realities and by their perception of long-term economic opportunities.

Research by Sara McLanahan and Irwin Garfinkel of the Institute for Research on Poverty at the University of Wisconsin supported the view that the rise in male joblessness is a major factor in the growth of single-parent families headed by women. It also suggested that the receipt of welfare by single mothers with weak labor force attachment contributed to the growth in this ghetto subpopulation, because AFDC and other means-tested programs reduced the likelihood of marriage. This effect, they reported, increased mother-only family configurations and weakened these women's labor force participation, thus producing a vicious circle. Although the researchers found only a weak relationship between welfare receipt and the growth in mother-only families, in general they estimated that between 20% and 30% of the growth in mother-only families among *the lower half of the income distribution* was related to the overall increase in AFDC and related benefits between 1955 and 1975.

Wilson insists that it is very difficult to sort out *the effects of welfare receipt* vs. *the effects of ghetto joblessness* since 1965 (and particularly since 1970) on family configuration and labor force attachment. He feels that McLanahan and Garfinkel fail to address the complexity of relationships among joblessness, family formation and welfare. A different mix of constraints and opportunities face ghetto blacks, for instance, than face residents of areas of low poverty — the mix is different in terms of the class structure, the availability of jobs, access to economic and financial capital, the concentration of poverty, and what he terms "social" capital. Therefore ghetto single mothers have far less hope that they will be "welfare-free" within a reasonably short time and they are far more likely to need welfare for more than five years than single mothers in low-poverty areas. And those unable to

> It is the cumulative structural entrapment and forcible socioeconomic marginalization resulting from the historically evolving interplay of class, racial, and gender domination, together with sea changes in the organization of American capitalism and failed urban and social policies, not a 'welfare ethos', that explain the plight of today's ghetto blacks.
>
> William Julius Wilson
> in ***The Ghetto Underclass***

obtain adequate employment in low-poverty areas have access to more social and economic supports. Wilson thinks the most critical influence in the mix of constraints and possibilities is *employment* opportunities.

The Importance of Employment

John Kasarda's research provides the most useful insights about the role of labor force attachment in the growth of underclass poverty. He found that the loss of traditional employment opportunities had a devastating impact on black families, particularly those with a low level of education, which in turn increased the problems of the economically displaced. Jobless rates will remain high in the urban underclass, Kasarda predicts, if a greater proportion of disadvantaged black youths do not obtain the formal education required by the white-collar service industries that are the predominant sources of urban employment. Upgrading educational levels is essential also, given potential future shortages of resident city labor with adequate educational qualifications for expanding white-collar jobs. The problem, says Kasarda, is that *these qualifications are difficult to obtain through short-term job training programs.*

Since all of the net national growth in jobs with low educational requirements has occurred in suburbs and nonmetropolitan areas that are far removed from large concentrations of poorly - educated minorities, resolving the problem of inner-city joblessness is a genuine challenge. Disadvantaged urban blacks cannot readily follow these low-skilled jobs. As a result they have become increasingly isolated from the sources of employment that can be obtained within their level of education.

The Newest Research on Inner-City Poverty

The research that formed the basis for Wilson's edited book covered studies through 1988. In *The Ghetto Underclass,* however, Wilson reviews and comments on research since 1988 that has tested many of the ideas advanced in Wilson's *The Truly Disadvantaged.* This research focuses on the economy, on weak labor force participation, on the inner-city neighborhood environment, and on theories about the underclass.

The following findings from research in the late 1980s and early 1990s contribute to our understanding of ghetto poverty:

- The primary groups within the ghetto poor are blacks (65%) and Hispanics (22%).
- The largest increases in ghetto poverty have occurred in the *Northeast and Midwest.* Ten cities accounted for three-fourths of the total increase during the 1970s. New York City accounted for one-third; New York City and Chicago together accounted for one-half. Of the 195 Standard Metropolitan Areas in 1970 that recorded some ghetto poverty, 88 experienced decreases by 1980. The cities with the largest decreases were Texas cities with significant declines in Hispanic ghetto poverty and southern cities with sharp decreases in black ghetto poverty.
- Between 1970 and 1986, the Northeast and Midwest experienced *substantial economic restructuring and a loss of blue-collar jobs.* Information-processing industries in the Northeast and Midwest could not compensate for losses in traditional industrial sectors. Southern cities experienced job growth in all the major sectors of the economy.
- Blacks living in central cities *continue to lack education and access to employment,* and the decline in the earnings of central city blacks is positively associated with the extent of job decentralization.
- During the 1950s and 1960s *better-educated blacks migrated to the suburbs where access to employment was better.* In the 1970s this out-migration increased, leading to a larger disparity in education and income between better-educated minorities and the ghetto poor.
- Industrial restructuring appeared to increase job opportunities in public administration and professional services for educated minorities while *vastly reducing employment options for those with inadequate education.*
- Although jobless rates for disadvantaged minority youth remain high, dramatic progress occurred during the economic recovery of the late 1980s in cities with the tightest labor markets (i.e. those with the most job openings). *Tight labor markets were found to reduce poverty,* even though they did not affect the number of single-parent families.
- In studies of the relationship between marriage and employment, *most researchers found only modest support for the theory that the sharp rise in poor single-parent families was related to the declining employment status of young black men.*

Surveys showed that changes in employment explained less than one-fourth of the decline in marriage rates since 1960. A study by the University of Chicago found that black inner city men who had stable work were more than twice as likely to marry as black men who were jobless. This was not simply due to the *proportion* of jobless men.

As legitimacy norms weakened in society, marriage rates dropped precipitously among chronically jobless men. Minority ghetto residents, particularly black men, were experiencing rising employer discrimination. This was based less on race and class than on employer *perceptions* of their *likely education, cooperativeness* and *productivity*. In tight labor markets, Wilson points out, general unemployment is reduced, better jobs are available, and wages are higher. Therefore employers can afford to be more selective and the level of *discrimination* rises.

- Some recent studies question the theory that the out-migration of better-educated and higher-wage residents from ghetto neighborhoods is responsible for higher concentrations of severely poor in central cities. *A University of Chicago study found no evidence that the level of out-migration explained the rising concentration of black poverty in ghettos. The conclusion was that higher-income blacks have been less able to leave ghettos than have higher-income members of other groups.* Nevertheless most other studies supported Wilson's out-migration thesis.

Wilson gives special attention to a U.S. Housing and Urban Development study which he claims is the most important recent research on segregation and its geographic spread. *The researchers found that all households in the 1980s had high rates of out-migration related to income.*

High rates of black out-migration from ghettos related to income were higher in the more segregated central cities. But they also found that the *white* exodus from the poorest areas in the more segregated cities was even higher than that of blacks, and more positively related to income. *The presumption was that higher-income blacks in the more segregated cities had fewer non-ghetto neighborhoods accessible to them and therefore were more likely to remain living among the poor.*

- Social environments with limited legitimate job opportunities, inadequate job networks, poor schools and few identifiable alternative options for generating income perpetuate weak labor market attachment.

Poor people who live in neighborhoods that promote or reinforce weak labor force attachment are exposed to quite different forces than those in areas that foster or support strong labor force participation. For example, several studies suggested that a young ghetto woman's proximity to and degree of integration with peer groups that did not support strong labor force participation were more likely to become pregnant.

- *The concentration of the very poor in public housing projects appears to increase their cultural isolation, and weaken their labor force attachment.*

Policy Recommendations

Admittedly, the research reported in Wilson's book is selective, but it clearly represents some of the better contemporary research on urban poverty. Therefore one is eager to learn what policy recommendations Wilson sees flowing from these studies.

Kasarda's Recommendations

Kasarda suggested a series of pragmatic steps which he feels can reduce the poor's distance from jobs that match their education and skill levels:

- Development of a computerized job opportunity network.
- Strong, aggressive job search assistance.
- Temporary relocation assistance.
- Housing vouchers.
- Stricter enforcement of fair hiring and fair housing laws.
- A review of public assistance programs to determine whether they tend to keep the poor from migrating out of ghetto areas.

Other Recommendations

For the problems of inner-city males, the researchers suggest pregnancy-prevention programs that involve and provide services to males, more imaginative child support enforcement, and the provision of comprehensive, intensive services to inner-city children and adolescents. McLanahan and Garfinkel advocate for more universal programs, including full employment, child care, child support assurance, and children's allowances. Regarding the homeless, more generous programs for income maintenance are recommended, as well as the expansion of disability programs and low-cost housing, and more low-skilled jobs.

Other authors recommend less orthodox policy solutions, such as "opening up the opportunity structure to all, regardless of race, class or gender." Some have little faith in income maintenance, work/welfare or social service programs since they have not altered structural economic problems. The latter researchers want to see a wide range of activities aimed at *changing attitudes, expectations, skills and life experiences.* This involves employment for inner-city youth, the reform of public schools, an improved school-to-work transition, the reduction of racial and gender discrimination, a removal of barriers between jobs in primary and secondary labor markets, a reduction in teen-age pregnancy and births, and more control over industrial relocation and plant closings. This large package of strategies represents an *expansive,* *long-term commitment to reducing poverty.* The proponents acknowledge, however, that this kind of approach is politically vulnerable unless made part of a larger effort to assure economic security for all citizens.

In sharp contrast, Lawrence Mead recommends *mandatory workfare.* Wilson says this strategy is based on the erroneous assumption that public assistance recipients are encouraged to be dependent "by a mysterious welfare ethos." Wilson says there is no evidence from research to support this.

Somewhere between comprehensive and single-strategy approaches is Richard Nathan's recommendation. A Princeton faculty member, Nathan says we must concentrate on studying the *institutional dimension of needed policy changes,* since the structure of American federalism and the central role of state governments in administering social service programs means that change is likely to be slow and the politics of change difficult. He encourages researchers and policymakers to evaluate new programs and strategies aimed at promoting *institutional change.* Part of that effort might be to reach a new liberal/conservative consensus on welfare reform. Wilson is not as sure as Nathan that comprehensive policies are likely to take a long time to implement, pointing hopefully to the New Deal, the civil rights movement, and the Great Society.

Editor's Note

For a more detailed understanding of Wilson's perspectives on underclass poverty, please see the extensive interview with William Julius Wilson in Issue #5/6 of *Evaluation Forum,* and his other publications, such as:

Power, Racism and Privilege: The Declining Significance of Race. Chicago, IL: University of Chicago Press, 1980.

The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy. University of Chicago Press, 1987.

"Public Policy Research and the Truly Disadvantaged," in *The Urban Underclass* edited by C. Jencks and P. Peterson. Washington, DC: The Brookings Institution, 1991.

With L. Wacquant: "Poverty, Joblessness, and Social Transformation of the Inner City," in *Welfare Policy for the 1990s* edited by P. Cottingham and D. Ellwood. Cambridge, MA: Harvard University Press, 1989.

With K. Neckerman: "Poverty and Family Structure: The Widening Gap Between Evidence and Public Policy Issues," in *Fighting Poverty: What Works and What Doesn't* edited by S. Danziger and D. Weinberg. Cambridge, MA: Harvard University Press, 1986.

The Welfare System Poor

Contemporary Work/Welfare Strategies: The First Generation

The renewed interest in welfare reform in the 1990s has been expressed in enthusiasm for an *education, training and work strategy.* Some of the most vocal critics of the welfare system have argued that the missing link in reforming the welfare system has been a strong tie-in between *cash benefits and the enhancement of the recipient's employability and his or her earnings in unsubsidized employment.* Bipartisan support grew over the 1980s for a strong work preparation and job acquisition component bonded to income maintenance. This was reflected forcefully in the Family Support Act of 1988 and its Jobs Opportunities and Basic Skills Program (JOBS). The passion for a better linkage between welfare and work came on the heels of the unprecedented participation of women in the labor force across class, economic and ethnic lines, and the rise in welfare caseloads.

Pre-History

However, many of the contemporary proponents of work/welfare bonding have behaved as if the work/welfare models of the 1980s represented entirely new concepts. The Work Incentive Program (WIN) had long been forgotten. Begun in the late 1960s under joint funding from the U.S. Health, Education and Welfare Department and the Department of Labor, WIN had been operational across the U.S. until 1981 when the Omnibus Reconciliation Act (OBRA) permitted states to apply for waivers in order to design alternatives to WIN.

The original WIN concept involved intensive education, training and employment assistance. In 1971, WIN was redesigned with an emphasis on short-term job search and placement assistance. WIN was mandatory for families with children six and older who were receiving AFDC; others could participate as volunteers. A formal sanctioning process was incorporated. Its joint-agency funding and administrative structure (involving welfare agencies and employment agencies at the state level) was both a blessing and a curse, an unsteady marriage between social caseworkers and employment counselors loyal to their own organizational territories. Where these counselors were co-located and their supervisors cooperative, WIN often provided the best of both service provision worlds: the expertise of professionals trained in case management and supportive services, and those trained in job search, job development and job placement. The *job search workshop concept* grew out of this marriage.

But WIN's participation rates were very low, and its coverage and services waned over time. Evaluations of WIN were non-experimental and produced interesting but questionable results. *What the research suggested, with great consistency, however, was that the most disadvantaged clients benefited the most from WIN services.* Similar conclusions flowed from evaluations of the Comprehensive Employment and Training Act (CETA) program, which also served a small proportion of welfare clients.

The Reagan and Bush budgets continually eliminated WIN, but the Congress stubbornly reinstated it each year even though the funding fell precipitously. With the advent of OBRA, WIN became almost moot. OBRA was a new opportunity for states to gain control over their own work/welfare programs, even though funding was cut in the bargain. The alternatives states could initiate were the children of state welfare agencies exclusively. Most states' programs made heavy use of the Employment Service and JTPA for job search, placement and training, but the U.S. DOL was no longer an equal partner serving welfare clients. The U.S. Department of Health and Human Services (HHS) and state welfare agencies received the funding for new state options directly, and HHS was the source of guidance in the rigorous evaluation of these state initiatives.

It was the experimental evaluations of these new state alternatives to WIN — this *first generation* of contemporary work/welfare strategies — that provided the most reliable and valid information for policy purposes. The results had a direct influence on the development of JOBS, whereas earlier studies had played a low-key policy role in the welfare debate. The Administration, the Congress, and the public had begun to trust the veracity of small social experiments as a way to determine program effectiveness. Program managers and planners had *begun* to trust evaluation research, particularly if done at the state level, as a meaningful source of information for fine-tuning and remodeling their programs.

Learning from Evaluation Efforts

In this article we review a 1988 article by Judith Gueron, "State Welfare Employment Initiatives: Lessons for the 1980s," published in *Focus*, the journal of the Institute for Research on Poverty at the University of Wisconsin. Gueron is president of the Manpower Demonstration Corporation, which has been a major contemporary source of evaluations of work/welfare and job training programs.

In the *Focus* article Gueron identifies our major welfare dilemma as the attempt to reconcile two competing issues:

- The provision of support and assistance to those poor who clearly cannot or should not be expected to achieve economic security through employment.
- The need for government to encourage the poor to seek self-sufficiency through work.

AFDC has been in the center of this maelstrom, she says, particularly as more non-poor women entered the labor force. Government has tried various strategies to resolve this dilemma since the 1960s.

One major approach was the incorporation of financial incentives for working *within* AFDC. Gueron reports that the research on this approach suggested it was too costly and complex, and appeared to increase caseloads. The other most important approach was to redefine the relationship between government and the client. Welfare was to leave behind its aura of "income-conditioned entitlement" to become a "reciprocal obligation." Beneficiaries would risk losing the government's services and supports if they did not seek employment, or make an effort to increase their employability.

The latter approach, Gueron claims, permeated political decisions about welfare reform in the 1980s. However, consensus on a precise strategy to *operationalize* this 'social contract' eluded welfare policymakers. According to Gueron, there were two main schools of thought. One stressed the client's responsibilities by utilizing low-cost job search assistance and job placement. The other stressed the provision of education and skills training to increase employability, thereby increasing access to higher-paid jobs. The first emphasized *dependency-prevention;* the other *poverty-reduction. The two approaches essentially expressed different views of the intensity of the poor's work ethic.*

Early Research

Studies of the more punitive 'workfare' options suggested that *they did not work*. In the context of this conclusion, Gueron cites contrasting results from the evaluation of the intensive National Supported Work Demonstration financed by The Ford Foundation. Researchers found this model involving highly-structured paid work experience to be capable of producing long-term positive effects for the *more disadvantaged* welfare clients, and to be cost-effective for taxpayers even though sustaining high start-up costs. At the same time, low-cost job search assistance alternatives also proved to have durable benefits, and for a wide range of recipients. Again the positive effects were greater for the *most disadvantaged.*

Although we had learned something about targeting and service provision from research on these early work/welfare efforts, Gueron comments that warring political ideologies continued to result in different kinds of welfare strategies. The Carter Administration moved toward *paid public employment* as a last resort option while the Reagan Administration wanted *universal unpaid workfare.* OBRA rejected both. Gueron explained that OBRA in effect converted WIN into a block grant to state welfare agencies, which gave them less dollars but more flexibility to experiment. The experimentation clearly needed to be evaluated, which led to the most carefully designed and implemented evaluation research on work/welfare programs in American history.

> It was the experimental evaluations of state alternatives to the Work Incentive Program that provided the most reliable and valid information for policy purposes. The results had a direct influence on the development of JOBS. The Administration, the Congress and the public had begun to trust the veracity of small social experiments as a way to determine program effectiveness. Program managers and planners had begun to trust evaluation research.

Research Caveats

Gueron calls our attention to important parameters surrounding this landmark research:

- *State programs were developed and implemented with limited funds.* Funds for work/welfare programs fell 70% between 1981 and 1987.
- *Programs were operated in communities in which there was an array of institutions and organizations providing some kind of work/welfare services.* For example, the Employment Service, JTPA, community-based organizations and community and technical colleges were providing various services to welfare clients. Therefore research on new alternatives could only estimate the impact of *adding* a new program, not the cumulative effects of a client's potential exposure to a *number* of service providers.
- *Research findings regarding the outcomes of different kinds of programs, such as average costs and impacts per participant, were frequently based on different measures.* Therefore it was difficult to draw conclusions about effects *across* program alternatives.

The Work/Welfare Initiatives Project

With these caveats in mind, Gueron gives due credit to the U.S. General Accounting Office and the Urban Institute for their research in the 1980s — but she suggests that MDRC's multistate field research carried out between 1982 and 1988, *State Work/Welfare Initiatives,* provided the most definitive lessons about program participation, impacts and net costs. Funded by The Ford Foundation and the states participating in the project, this demonstration involved a geographic sample that was generally representative. The evaluation of each state's work/welfare model utilized an experimental research design involving the random assignment of clients to 1) a group receiving the new program's services and assistance, and 2) a group from which this program was withheld. In all cases, the new alternatives tested represented redesigns of a state's WIN program.

Program Design

Gueron pointed out how the WIN redesigns varied, reflecting different resource constraints, political perspectives, and state/local values. In particular, they differed along these dimensions:

- Participation requirements vis-a-vis different segments of the AFDC caseload.
- Job search requirements.
- Type of job search assistance provided, and at what point in the service delivery chronology.
- Whether education and training was offered, in addition to job search.
- Whether unpaid work experience was an option.
- Whether noncompliance resulted in sanctions, and what kind.

It is important to note that the major 'treatment' in the states participating in the project was *job search assistance* — often provided through low-cost job clubs. Work experience was emphasized less, and education and training even less than work experience. The state providing education and training to the most clients only provided these treatments to 17% of the experimental group. As in WIN, the overriding goals of these programs was *immediate employment.* It is intriguing that surveys of staff and clients revealed that work/welfare requirements were not viewed as punitive even though the work experience positions were entry-level and provided little or no skills development.

Because these state initiatives in the first half of the 1980s clearly involved only incremental changes, Gueron appropriately comments that the lessons from the evaluations of these experiments cannot tell us what the effects may be of more comprehensive and intensive strategies. A second wave of initiatives in the latter half of the 1980s are providing insights about more structured models.

Research Results

But Gueron does not discount the insights from this large national demonstration. These are some of the key results:

- The programs in several states *increased quarterly employment rates* by between 3% and 8%. They *produced cumulative earnings gains* over the one-to-three-year period of between 8% and 27%. On average, across total earnings per experimental participant (including non-earners as well as earners) the earnings gain was 23%, and gains held up after the first year.

- The Baltimore program, which provided the highest level of education and training, improved *job quality* (wages and hours worked) as well as *job acquisition and retention.*
- The programs that produced earnings gains also *produced some level of welfare savings,* although a smaller amount of savings than the amount of earnings gains — i.e. there was no *net welfare reduction.*
- The *most employable participants* (women who had worked prior to program participation) *did not gain much from participation.* Although women with limited work history stayed on welfare longer than the more employable women, they had more substantial earnings gains than women who had worked previously.
- *Programs requiring unpaid work experience did not lead to increased employment and earnings.* Gueron suggests that this may have been related to aspects of program implementation rather than to the 'treatment' per se, or to socio-economic influences in program environments.
- Overall, over two to five years, *government outlays for these programs were offset by welfare savings.*

Gueron concludes that these relatively low-cost work/welfare strategies could lead to "consistent and measurable increases in income that persist over a substantial period of time." But she cautions that these strategies should be viewed as *only one part of a larger anti-poverty approach.*

Research Questions Left Unanswered

In Gueron's mind, however, the results of the State Work/Welfare Initiatives Project raised significant issues and questions for further study in the following areas:

Issues

- *Coverage of the AFDC population:* the work/welfare programs studied by MDRC were targeted to approximately one-third of the AFDC caseload — i.e. that segment that had been mandatory for WIN.
- *Intensity of participation:* participation obligations were of short duration and non-intensive.

Questions

- Should work requirements be extended to women with younger children?
- Is the mandatory aspect more important than the kinds of services provided?
- Would the gains from low-cost programs hold if a larger proportion of the caseload were to be served?
- Are the jobs clients obtain sufficient in wages and hours worked to lift their families out of the welfare system?

One obvious unanswered question was whether more costly, high-coverage, comprehensive and intensive programs would be more successful. Gueron considers this a critical query in terms of whether government should extend low-cost strategies to a larger proportion of the welfare population or should provide more intensive services to the most disadvantaged segment. Not optimistic about government's ability to subsidize universal comprehensive work/welfare systems, Gueron nevertheless looks to 'second generation' work/welfare initiatives such as California's Greater Avenues for Independence (GAIN), Employment and Training Choices (ET) in Massachusetts, and New Jersey's Realizing Economic Achievement (REACH) as the kind of comprehensive, case-managed and intensive models requiring careful study in the 1990s.

Second Generation Work/Welfare Programs

Welfare policies in the 1960s, Gueron says, stressed the 'entitlement' aspect of government social welfare, a view that tended to adopt the philosophical underpinnings of European welfare states. More conservative perspectives in the 1980s stressed reciprocity in terms of responsibility between government and client. The intent of the Family Support Act and JOBS in 1988 was to codify this kind of contract. In the next article we explore the JOBS concept further.

Editor's Note

For those interested in the other research referred to in this article, please see:

Hollister, R. et al. *The National Supported Work Demonstration.* Madison, WI: University of Wisconsin Press, 1984.

Gueron, J. *Reforming Welfare with Work.* New York, NY: The Ford Foundation, 1987.

Nightingale, D. and L. Burbridge. *The Status of Work/Welfare Programs in 1986: Implications for Welfare Reform.* Washington, D.C.: The Urban Institute, 1987.

U.S. General Accounting Office. *Work and Welfare: Current AFDC Work Programs and Their Implications for Federal Policy.* Washington, D.C., 1987.

Second Generation Work/Welfare Strategies

In this companion article to *First Generation* strategies, we review *From Welfare to Work* by Judith Gueron and Edward Pauly, a 1991 Russell Sage Foundation publication. In this classic on work/welfare alternatives, the authors suggest several influences that shaped the current federal Job Opportunities and Basic Skills Program (JOBS) whose state-level strategies constitute a *second generation* of work/welfare initiatives:

- States had demonstrated with their alternatives under the Omnibus Budget Reconciliation Act in the early 1980s that they were capable of designing and implementing programs responsive to state priorities and respectful of state resources.
- Evaluations of some of these programs indicated that a range of approaches and environments were capable of benefiting welfare clients and producing net savings for the welfare system.
- Research on welfare dynamics showed that a substantial minority of welfare poor remained in the welfare system for long periods.

Congress was also influenced by research findings indicating that participation in these programs was limited and their employment and earnings effects incremental. As a result, JOBS involved these elements:

- Increased funding.
- An expansion of coverage to families with children three and older.
- The retention of state flexibility in program design and operation.
- An emphasis on assessment, education, intensive job search and placement, and transitional services attached to work.
- A focus on recipients likely to remain in the system over a long period, high school drop-outs and teenage parents.
- The judgment of goal achievement via federal performance standards, as in JTPA.

JOBS was to be better funded, targeted and evaluated than any previous work/welfare initiative. The U.S. Department of Health and Human Services followed through on the latter with an eight-year research contract with the Manpower Demonstration Research Corporation.

State JOBS Models

Developing the content of *From Welfare to Work* was MDRC's first responsibility under their research contract to study JOBS. More extensively than in Gueron's article reviewed previously, Gueron and Pauly provide both an overview and a detailed summary of contemporary research on work/welfare strategies and their contribution to the knowledge base. Then they turn to JOBS.

The early experience with JOBS suggested to the authors that state programs were more complex than those mounted in the early 1980s, which emphasized job search. Consistent with the national JOBS model, many state programs were giving primary attention to important aspects of program *implementation,* such as career counseling, client assessment, service planning, the use of case management systems, and the systematic referral of clients to JTPA and other providers of work preparation services. Budget constraints, however, were preventing many states from fully implementing the model — particularly with respect to covering all mandatory clients and providing comprehensive services.

Because of fiscal problems, the authors claim that states were faced with choosing among these options:

- Providing low-cost services (job search) to a large portion of the mandatory caseload.
- Targeting higher-cost implementation features and services to particular subgroups of clients.
- Providing low-cost services to some clients and the more intensive services to others, a process that involves planning.

Gueron and Pauly view the third option as the one most consistent with the Family Support Act and JOBS model, but one that requires states to establish a solid basis for making effective targeting decisions. These decisions involve significant trade-offs in achieving JOBS' major goals: skills enhancement, earnings increases and reduced welfare costs.

In the book, the authors summarize the characteristics, costs and net effects of thirteen pre-JOBS programs and follow this overview with detailed information intended to assist states in designing and modifying their JOBS programs. Program profiles included WIN demonstrations in the 1970s, Community Work Experience Programs (CWEP) in the early 1980s, and more complex programs such as the recent San Diego Saturation Work Initiative Model (SWIM), the Baltimore Options Program, and the National Supported Work Demonstration.

Major Findings from Evaluations of the Programs Reviewed

The main findings from state work/welfare evaluations completed prior to JOBS are summarized in Figure 1.

Some Conclusions from the Research

Based on these and other findings, Gueron and Pauly came to these conclusions:

- In targeting different service strategies to different subpopulations of clients, states must decide which program goals are of *primary* importance for *each subpopulation* — particularly whether the major goal is gain in earnings or short-term welfare savings.
- Future evaluations, in particular and most immediately the evaluation of JOBS, should address the issue of which goal is the more important to pursue: *human capital development*

Figure 1 ▪ Findings from the Pre-JOBS Evaluations

Service Strategy	Programs that provided intensive services were able to produce and sustain limited increases in employment and earnings for single parents, and some level of 'return on investment.' The provision of higher-cost, more intensive services *to selected subgroups* increased earnings but produced lower welfare savings. It was not clear that this approach would benefit the most disadvantaged. However, no studies have compared *large-scale* intensive education and training programs with less intensive ones. The evaluation of SWIM, a program that combined job search and work experience with some education and training, suggested that a 'mixed' strategy (as in the JOBS model) may be quite effective.
Targeting	The most *job-ready* were not helped by these programs. The group *intermediate* between the most job-ready and the most disadvantaged had the most earnings gains. The *most disadvantaged* group was the source of most welfare savings—although this group had smaller and less consistent earnings gains.
Tradeoffs Regarding Program Goals	Programs that produced *earnings* increases did not always produce *welfare* savings. Intensive and mixed-strategy programs appeared to produce larger earnings gains. Programs that placed job search assistance at the *front* of the service provision chronology produced greater welfare savings.
Participation Mode	Mandatory *job search only* programs involving large numbers of clients did not increase earnings or benefit the more disadvantaged, even though they sometimes produced limited welfare savings.

or *welfare savings,* especially for those likely to become long-term welfare recipients. This decision should direct attention also to the role of income maintenance in pursuing these goals, and in actually reducing poverty.

- SWIM demonstrated that a large-scale, mandatory, dual-goal program directed to a *cross-section* of the welfare population had the potential to produce less limited effects than earlier strategies. Results were particularly impressive for single mothers.
- The evaluations of the thirteen programs reviewed did not tell us about the effectiveness of *key features* in JOBS that are relevant to JOBS planning and implementation, such as the increased commitment to provide *education and skills training, and the targeting of services to teenage mothers and long-term recipients.*
- There is little empirical evidence about the following: 1) the effects of mandating participation by a large proportion of the welfare caseload, 2) the impact of emphasizing intensive assessment, service planning and case management, 3) the success of programs that require strong state commitment, ownership and investment — and cooperation between program operators and evaluators in applying an experimental methodology.

What we do not yet know, Gueron and Pauly propose, is whether programs like JOBS are more effective in providing earnings gains and welfare cost reductions. They suggest that MDRC's evaluation of JOBS address these questions:

1. What subgroups benefit most?
2. What are the best program models and targeting priorities?
3. Can the level of welfare savings produced by some of the pre-JOBS programs be maintained in JOBS given the higher cost of this program?
4. If welfare savings are lower in JOBS, will this be offset by greater employment and earnings gains for the priority target groups?

Generalizing from the Pre-JOBS Research

Useful as pre-JOBS studies have been in suggesting issues and questions for further consideration, Gueron and Pauly are quick to qualify the use of this research in pre-judging the JOBS concept. It was difficult, they say, to "reach firm conclusions" about the relative impact and cost-effectiveness of 'broad-coverage' mandatory vs. narrower 'selective-voluntary' strategies in designing JOBS programs. First, there were important differences between these two kinds of strategies in terms of *program models* and *the way the programs were evaluated.* Second, these pre-JOBS programs were operated under *significantly different program situations* that involved varying grant levels, labor market conditions, caseload characteristics and program environments.

Regarding the first point, broad-coverage programs influence nonparticipants as well as participants. Selective programs only influence certain target subpopulations. Evaluations mirror this difference. Studies of the former focus on everyone who is under the influence of the program's *mandate,* whether or not they are exposed to its services. Evaluations of the latter focus exclusively on participants (those exposed to the service strategy). With the former, the evaluation estimates the impact of the program as a system, rather than only the impact of its services on participants. With the latter, the effects are estimated for the *subpopulation targeted to receive the services,* most of whom are exposed to this strategy.

Consequently, Gueron and Pauly point out that the estimates of effects for selective-voluntary programs are usually larger than for broad-coverage programs — yet these larger estimates do not necessarily mean that the impact of broader programs' service strategies is less. The differences in effects, they suggest, might be due to higher participation rates or to a targeting method that "creams" for those most likely to succeed.

Comparing costs also posed problems, the authors believe, since the higher cost of some selective-voluntary programs included wage subsidies that may have been offset by later welfare savings. Because these programs sometimes resulted in earnings gains without welfare savings, and because their resources and estimated net effects varied considerably, a comparison of impacts and costs could point in quite different directions.

And the authors added to this list of qualifications the fact that none of the evaluations of pre-JOBS programs measured the potential impact of important JOBS innovations such as the emphasis on *education and the provision of transitional assistance* (child care and medical benefits). These cautions led Gueron and Pauly to recommend that the evaluation of JOBS make more direct comparisons of the effects of different types of program approaches.

Recommendations for JOBS Planning

Despite the extensive caveats, the authors felt it was useful to make guarded recommendations, based on the 1980s research, about potential options for JOBS planners. These recommendations are presented in Figure 2.

Again, however, the authors make it clear that JOBS represents uncharted waters. The expectations for JOBS are extensive. It is to involve more complex program designs, be applied to a larger share of the caseload, succeed with new subpopulations of welfare clients and with the disadvantaged, provide more intensive services, utilize expanded service delivery functions, and offer transitional assistance — in an era of continued budget restraint. Gueron and Pauly feel that if mixed-mode service 'treatments' were to become the mode of choice in the 1990s, the most difficult task for JOBS planners and managers would be determining the *best mix* for their own client subgroups, labor markets, grant levels and communities, within state policy priorities and resources.

Given this challenge, the authors previewed questions that would likely direct the MDRC evaluation of JOBS and other studies in the 1990s. The questions below are excerpted directly from their book:

- "Will JOBS be successful for mothers with younger children?"
- "What are the effects of different processes for determining who gets which JOBS services and for managing the caseload?"
- "Are mandatory welfare-to-work programs more or less effective than voluntary ones?"
- "What works for the (usually male) participants from two-parent welfare families?"
- "What are the nature and duration of JOBS' economic and non-economic impacts on welfare recipients and their children?
- "Will JOBS programs be able to achieve the scale needed to meet participation standards and yet maintain the successes demonstrated in smaller or simpler pre-JOBS models?
- "Will the results of JOBS programs depend on the strength of local labor markets?"
- What are the impact and cost-effectiveness of child care and Medicaid benefits that are provided to welfare recipients who leave the rolls to work? What are the effects of different administrative and funding arrangements for in-program child care?"

Some of these questions have benefited and will continue to benefit from the evaluations of the demonstration projects initiated in the late 1980s and early 1990s.

Figure 2 ▪ Options for JOBS Planners

Primary Goals	Potential Best Options
Maximization of welfare savings, with the possiblity of limited earnings gains, except for the most disadvantaged.	Serving a large number of individuals with low-cost services, primarily job search assistance.
Earnings gains, with the possibility of benefits for the disadvantaged and long-term recipients.	Providing intensive services.
Earnings gains, welfare savings, and reduction of long-term dependency.	Providing a mixed strategy: low-cost broad services and more expensive targeted services.

Editor's Note

More specific information about some of the Pre-JOBS evaluations can be obtained from the following MDRC reports:

1983—*Job Search Strategies: Lessons from the Louisville WIN Laboratory* (Carl Wolfhagen, et al.).

1984—*The National Supported Work Demonstration* (Robinson Hollister, et al.).

1985—*Final Report on the Maryland Employment Initiatives Evaluation* (Daniel Friedlander, et al.).

1986—*Final Report on California's San Diego Job Search and Work Experience Demonstration* (Barbara Goldman, et al.).

Final Report on Virginia's Employment Services Program (James Riccio, et al.).

Final Report on West Virginia's Community Work Experience Demonstrations (Daniel Friedlander, et al.).

1987—*Final Report on the Illinois Job Search and Work Experience Program* (Daniel Friedlander, et al.).

1988—*Final Report on Maine's Training Opportunities in the Private Sector Program* (Patricia Auspos, et al.).

Final Report on the Arkansas WORK Program in Two Counties (Daniel Friedlander, et al.).

Final Report on New Jersey's Grant Diversion Project (Stephen Freedman, et al.).

1989—*Final Report on San Diego's Saturation Work Initiative Model* (Gayle Hamilton, et al.).

Another Look at Work/Welfare Programs

In 1990, the Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, and the Institute for Research on Poverty at the University of Wisconsin jointly sponsored a major national conference on the *evaluation* of work/welfare programs. The working papers prepared for the conference were published in book form in 1992 by Harvard University Press — *Evaluating Welfare and Training Programs*, edited by Charles Manski and Irwin Garfinkel. This article reviews ideas from the editors' introduction and the chapter by David Greenberg and Michael Wiseman, "What Did the OBRA Demonstrations Do?"

Comments on Evaluation Research in Work/Welfare

Manski and Garfinkel concede that systematic program evaluation is recent, having its origin in the 1960s. But they remind us of its rapid development. In the 1990s evaluation *requirements* are an accepted part of federal legislation and many state social welfare statutes. The most immediate example is the federal Job Opportunities and Basic Skills Program (JOBS). The Congress mandated separate studies of its *implementation* and its *effectiveness*. The methodological mandate to evaluators involves the use of an experimental research design, reflecting the design of choice in studying the negative income tax experiments and supported work demonstration, and later the Job Training Partnership Act programs.

Despite these advances in public acceptance, funding and evaluation technology, Manski and Garfinkel appreciate the continuing imperfections in evaluation research. In particular, they have a problem with the traditional separation of *process evaluations* (studies of implementation) from *impact evaluations* (studies of program effectiveness). The former are typically conducted by qualitatively-trained social scientists, the latter by quantitatively-trained labor economists. They propose that this is an artificial and misleading distinction. Features of implementation, they contend, are *program treatments* just as surely as services are, and therefore affect program outcomes. Alternative case management policies and practices are one example. The use of performance standards is another.

A major purpose of evaluation, the editors insist, is to help policymakers choose *which alternative is 'best'* among a small set of acceptable program options. Another purpose is innovation — the development of *new, more effective* programs. Therefore, the overriding research question for Manski and Garfinkel is "what must one understand about how programs work in order to reach conclusions about their merits?" Methodological emphases for answering this question have changed over the past decade. *Experimental* research has become the preferred strategy because it is based on the assumption that the 'experimental' version of a program is operated under conditions that closely represent the conditions under which that program actually operates in real-life environments. But Manski and Garfinkel point out that this assumption is rarely borne out in practice:

- Experimental studies of social programs are not "double-blind" evaluations where neither the experimenter nor the research subjects know who is in the treatment vs. the control groups. Program administrators, and often clients themselves, cannot help but know who is where.
- Large-scale social experiments change the environment in which they operate and may also change the program's effects.
- It is very difficult to assure that the program sites selected for a study are representative of all program sites to which policymakers want the findings generalized.
- The evaluators must assume that the characteristics of program applicants and those of the individuals who drop out of the study *will not* change — i.e. that the "applicant pool and attrition process" will not change — but this is not a plausible assumption.

The editors claim that these problems of translation from experimental social research to the real world have been "downplayed or ignored" in recent experimental evaluations. In fact, they suggest that there is "no basis for the popular belief that extrapolation from social experiments is less problematic than extrapolation from observational data."

Beyond scientific considerations, these researchers are concerned about the characteristics of *research funding*. They view evaluations conducted between the mid-1960s and the end of the 1970s as representing a balanced mix of *basic* research (on new program ideas) and *applications* of basic research (ongoing social programs). Since 1980, evaluation research has been hampered, they say, by an imbalance in the direction of the latter. Their view is:

> Evaluation today is dominated by tightly-focused applications with short horizons . . . The [research] contractor's task is to compare the short-run direct impact of a given program with a particular alternative, often simply the absence of that program . . . It discourages innovation in methods, efforts to understand the complex set of processes that define a program, the evaluation of long-term program impacts, and creative thinking about program design.

This is strong stuff.

The OBRA Programs

David Greenberg and Michael Wiseman focus on a specific set of programs, with another perspective on evaluation methodology. These are the demonstration projects under the Omnibus Budget Reconciliation Act of 1981, and subsequent OBRA legislation. The authors conclude that the quality of many of the evaluations of OBRA programs was generally quite high. They attribute this to the sophisticated research conducted immediately prior to these programs, namely the four income maintenance experiments and the Supported Work Demonstrations, and to the aggressive marketing capability of the Manpower Demonstration Research Corporation(MDRC) in convincing states that experimental evaluations using random assignment were superior to other approaches and would yield more useful information for policy and planning. Greenberg and Wiseman review twenty-four largely mandatory work/welfare programs in nineteen states, under OBRA. Thirteen of these were evaluated by MDRC.

In describing the different target groups served by these programs, they alert us to their consequences for evaluation: "These were evaluations involving program *participants,* not applicants . . . Participants are likely to be more disadvantaged since many applicants will end up not receiving welfare." They have other concerns as well. *In some cases, the research sample was limited to new mandatory clients.* These new clients may have had characteristics that differed from existing participants. Such differences could explain some of the outcomes reported, and reduce the generalizability of evaluation results. Programs also varied along these dimensions:

- Geographic coverage.
- Type of participation mandate.
- The sequencing of services to clients.
- Intensive vs. non-intensive service provision.
- Program environments, particularly economic conditions.
- Program design and implementation.
- Evaluation methods.

While Greenberg and Wiseman acknowledge that the OBRA projects provided the richest data available on the experiences of welfare clients over time, and data that were likely more reliable than survey data, they conclude that differences on the above dimensions reduced the utility of the evaluation findings as a basis for forecasting the effects of a national-level (or in the case of more limited demonstrations, a state-level) *replication* of these projects.

OBRA Service 'Treatments'

Only the MDRC research included a focus on characteristics of the service treatments themselves, but the authors made an effort to look across all twenty-four OBRA programs. They came to these conclusions:

- *Job search* was the major service provided.
- More than half of AFDC *applicants* eventually *left work/welfare programs* (partly explainable by ineligibility for a grant).
- A small but significant proportion of mandatory clients had to be *sanctioned* for noncompliance with the work/welfare program rules.
- Members of some control groups received *substantial services* from providers other than the program being studied.
- The research did not address what clients' *information and expectations* were regarding participation in the demonstration program.
- The OBRA demonstrations provided only *weak evidence of the feasibility of mandating participation rates.*

OBRA Program Goals and Impacts

The major goals of OBRA projects, the authors say, were to improve labor force performance and reduce welfare dependency. At the organizational level, the interest was in changes in caseload size and welfare costs. At the level of the client, the focus was on changes in employment status, earnings, welfare status, and the level of transfer payments.

Greenberg and Wiseman report on the thirteen sets of findings in which they have most confidence. Ten of these were from MDRC evaluations, the remaining were from the Massachusetts' ET Program, North Carolina's CWEP Demonstration, and Washington State's Intensive Applicant Employment Services Project.

The researchers say the impact estimates reported for earnings and welfare receipt *varied considerably* from one demonstration program to another, which likely reflected these factors: the variety of treatments provided, participation rates, variations in the target groups receiving treatment, differences in institutional environments, and differences in socio-economic and labor market circumstances. The authors feel that many of the impacts were estimated *with little precision and therefore are not statistically significant, but the direction of the impacts* (positive) implied that these programs did actually increase earnings and reduce the welfare rolls. *If so, the effects were small.* Whatever earnings increments resulted appeared to have happened with a relatively small proportion of clients. Welfare savings were also limited.

The authors propose that the impact data support two additional inferences: 1) no clear pattern emerged regarding how successful these programs were for *new AFDC applicants vs. persons already receiving AFDC,* or for *single parents vs. two-parent families,* 2) the addition of *work experience to job search* did not appear to increase the effect of job search alone, and 3) the evidence was mixed in terms of *the 'decay' of program effects over time* (although the evaluation period was too short to address this issue in most cases).

MDRC attempted to estimate the effects of a work experience treatment for subsets of treatment group members by disaggregating overall effects through subdividing the samples on the basis of recipient profiles utilizing preprogram earnings or welfare history. However, no consistent pattern appeared on the basis of which insights about successful targeting could be applied to future programs. There was consistent evidence, however, that *single parents with pre-school children had just as positive a set of effects as those with older children,* an insight important in the development of JOBS.

In reviewing the research on OBRA programs, Greenberg and Wiseman differentiate between those who leave welfare rapidly and those who stay on for longer periods, since these two groups have different characteristics that affect outcomes. For example, the latter group accounts for a disproportionate share of welfare costs. Other subgroups of interest are the job-ready vs. the non-job-ready, and those with preschool vs. older children. The less job-ready and those with younger children are disproportionately represented in the group of longer-term welfare recipients.

It is critical, the researchers say, to understand *to what subgroup* the reported effects apply. Logically, these groups could be 1) all AFDC recipients, 2) all members of the targeted population of recipients, and 3) only those who actually participated in the OBRA program. Impacts will become increasingly large, they suggest, as one moves from 1) to 3). The MDRC evaluations focused on 2), they propose, but the effects were interpreted as if they applied to 3). Only a few evaluations of OBRA projects answered the question of *whether the program had substantial effects on those who actually received the program treatments,* and unfortunately this small group of studies were seriously flawed.

Quasi-Experimental Evaluations

Some of the non-MDRC evaluations utilized quasi-experimental research designs (treated groups and constructed, matched comparison groups) as well as experimental methodologies. In the quasi-experimental studies, statistical adjustments were made to further 'equate' treated and non-treated groups, but Greenberg and Wiseman do not feel these adjustments were sufficient to reduce bias in these studies. Also, as in all quasi-experimental research, not all variables of interest could be measured in constructing the comparison groups. However, they see advantages in using a comparison group strategy: experimental requirements can deter participation, change staff attitudes, or attract more applicants. Research using comparison sites can assist in identifying phenomena such as this.

Nonexperimental Evaluations

Nonexperimental designs were also used to evaluate OBRA programs. Within a given site, comparing those participating with those choosing not to participate was a strategy used by the Urban Institute in evaluating Massachusetts' ET Program. Comparing actual outcomes with what would have been expected on the basis of past experience was the method used in evaluations of Oregon's and Utah's programs. A more sophisticated approach was used in the second study of the ET Program. This involved the development of statistical models presumed capable of predicting the difference between normally-expected outcomes and those attributable to the new program. However, the authors do not feel that using past experience as a baseline provides sufficient control over rapidly changing socio-economic conditions in real-life program environments.

Site Selection

Site selection processes and outcomes, Greenberg and Wiseman appropriately believe, have important consequences for the production of unbiased information. Some OBRA treatments were state-specific and they conclude that the results of evaluations could not be generalized to other states. Some models were applied only in selected offices or areas within a state, locations that were not representative of the state as a whole. In the latter situation, the willingness of sites to be part of a demonstration project and to be evaluated was a major selection criterion — with the possibility that this motivational factor explained some of the effects.

Stage in the Demonstration Chronology and Welfare Coverage

Some programs were evaluated too early in their developmental history, the authors point out —too soon to estimate the full effects these programs would ultimately produce. Some did not allow for a long enough follow-up period to measure their impact adequately.

Although participation in most OBRA programs was mandatory, the percentage of persons actually receiving the treatments was substantially lower than the percentage eligible to participate. The most important reason for low participation was that some of those assigned to treatment groups dropped out of AFDC prior to being required to participate, and undoubtedly a portion of this group dropped out to avoid participation. Therefore, most treatment groups included individuals who had not been exposed to the OBRA program at all. Consequently program impacts were likely *underestimated.*

Since it is important to predict how successful a demonstration program will be if converted into an ongoing program, the dependence of impacts on participation rates is seen as a problem by the authors. The more a demonstration differs from the semi-permanent program in terms of participation rates, and the quantity and mix of services each participant receives, the less able researchers are to predict the effects of the larger program.

Impact Across Subgroups

Greenberg and Wiseman also caution us about differences in impacts for certain subpopulations of clients based on characteristics such as personal traits, demographic characteristics, length of welfare history and the amount and kind of previous work experience. It is difficult, they point out, to determine what the program effects are tied to: whether to personal differences, policy and administrative differences, or to differences in program treatments.

Comparing Alternative Treatment Modes

For policy purposes, the researchers explain that the ability to compare alternatives within and across demonstration programs is important. Although OBRA programs did not vary a great deal in their treatment mode, they did vary regarding labor market conditions, population concentration, AFDC grant levels, welfare caseload characteristics, and administrative policies. With this much variation, the authors insist that it is very difficult to isolate the effects of the treatment. CWEP programs in San Diego and W.Va. varied considerably in their earnings impacts, for example, corresponding directly to differences in area unemployment rates. Also, there were only two evaluations among the twenty-four that utilized two or more treatment groups, with each receiving a different treatment. This allowed a comparison of one treatment group with another, as well as each treatment group with the comparison group.

Data Sources

Data on outcomes in most OBRA evaluations were administrative data and follow-up survey data. Some states could not rely on Unemployment Insurance files at that time, which would have been preferable in terms of accuracy, the authors feel, to interview-based data.

The JOBS Program

Overall, Greenberg and Wiseman saw little relationship between the OBRA program models and the JOBS Program. Unlike these demonstrations, JOBS emphasizes child support, provides funds for extensive educational services, and transitional child care and medical for those who become employed. It involves participation targets, provides services to two-parent families, requires 16 hours per week participation in community work experience by two-parent families, and requires the development and use of performance standards.

On the other hand, the evaluations of OBRA programs did have a substantial influence on the welfare debate, and provided a basis for policy change. What was achieved, the authors believe, was a new sense that the 'social contract' concept and the decentralization of program development to states had *demonstrable* feasibility. In addition, the MDRC research increased the credibility and utility of well-conceived and implemented experiments for informing public policy. The message, they say, was that states were capable of reforming their welfare systems if provided with "an enhanced menu of services." The Family Support Act essentially gave states such a tool kit.

Some Conclusions

The Congress utilized the results from experimental OBRA evaluations as they were produced, providing limited opportunity for feedback on this research by the larger social science research community. Within a longer time frame, researchers have seen both positives and negatives in the 1980s research. Greenberg and Wiseman have this more conservative perspective. Here are some of their conclusions:

- What went on in the OBRA projects remains something of a "black box" — i.e. in many cases we do not know what *caused* the effects reported.
- We cannot predict well, in terms of the potential successful *replication* of these programs.
- Information on effects for *key subgroups* was not clear-cut.
- *Cost-benefit findings* were less reliable than estimates of other impacts.
- *No research has been conducted outside MDRC* using the firm's primary data.

With respect to the last conclusion, the OBRA demonstrations did not produce 'public use data.' The challenge for national policy, the authors recommend, is to develop ways to support the kind of research firms that are committed to systematic rigorous evaluation research, such as MDRC, with the assurance that the data from such efforts can be made available to the social science community at large.

Greenberg and Wiseman leave the reader with additional recommendations about future research, including the evaluation of JOBS:

1. *Randomly Selecting Research Sites:* Welfare offices within a state should be randomly selected for testing various treatments, to assure that results can be generalized.
2. *Studying Alternative Treatments:* Emphasis should be placed on the evaluation of specific *treatment* components, perhaps in multi-site demonstrations. The cluster of treatments provided to different treatment groups should differ in terms of only a *single* component.
3. *Studying Sanctions:* The impact of sanctioning needs to be studied, preferably *graduated* sanctioning procedures.
4. *Modeling the Client Selection Process:* The issue of *how* variations in treatments occur should be studied — that is, what major influences shape the targeting and service assignment processes?
5. *Comparing Effects for Subgroups:* Studies should guard against too much *treatment variation.* Members of different subgroups should be treated as similarly as possible within the program being evaluated "so that genuine service efforts can be observed separately from the effects of 'creaming' or other administrative and service provision practices."
6. *Methods for Mediating Labor Market Problems:* Evaluations should study the impact of methods for reducing significant labor market barriers to low-skill/low-wage workers, such as basic skills training and private sector employment organizations that serve as brokers between welfare offices and employers.
7. *Funding Research:* Studies should be made of *research support systems* that provide a more generous federal match — but in return for states' willingness to address unresolved policy issues and their compliance with national evaluation requirements.

Editor's Note

For more reading on the issues discussed in this article, please see:

Manski, C.F. "Where We Are in the Evaluation of Federal Social Welfare Programs," in *Focus,* journal of the Institute for Research on Poverty, University of Wisconsin-Madison, Fall 1990.

Greenberg, D.H. and M. Wiseman. "What Did the OBRA Demonstrations Do?" Discussion paper, Institute for Research on Poverty, 1991.

Wiseman, M. (editor) "Research and Policy: A Symposium on the Family Support Act of 1988," in *Journal of Policy Analysis and Management,* October 1991.

The Homeless Poor

What Are We Learning About Homelessness?

Writing for the *New York Times* in February 1994, a well-known journalist concluded that the homeless and their advocates had "lost the crusade for the public conscience." The growing number of homeless individuals and families, he said, flies in the face of the American dream and is turning anger on the victim.

The shift in public attitudes toward the homeless echoes the shift that occurred during the Great Depression when homelessness had penetrated too deeply into the mainstream of American life. However, current homelessness far exceeds that identified in the Depression and is involving a much more diverse array of people. New York City's new Commission on Homeless Services recently defined urban homelessness as no longer an emergency, short-term crisis, but "a long-term systemic issue" that will require the collaborative efforts of multiple service providers.

If long-term and systemic, we are long overdue in expanding our knowledge of homelessness. In this article we review three essays in the winter 1991 issue of *New Directions for Program Evaluation* published by the American Evaluation Association.

"Pathways Into Homelessness"

On the faculty of the Department of Psychiatry at Harvard Medical School, John Buckner developed what he termed a "population-based, epidemiological perspective" on homelessness, an approach he feels gives more attention to the broader effects of social interventions, and promotes the study of program strategies at two conceptual levels: the *macro-level* and *the level of the individual*.

At the *macro level*, Buckner claims there is general agreement that the growth in homelessness is due to a widening income gap and the lack of affordable housing. Certainly larger economic influences are important, such as interest rates, and federal policy on building low-income housing contributes. Employment opportunities are also significant, he says, as well as minimum wage standards, the employment skills of low-income individuals, and the level of welfare or entitlement income subsidies. Natural and man-made disasters and major demographic changes can play a role. Overall, Buckner sees the rising number of homeless persons as a result of the growing number of individuals who are *at risk* for homelessness — 'at risk' status representing the combined effects of a myriad of influences.

On the *individual level*, influences that reduce the economic competitiveness of individuals also contributes to homelessness — drug addiction, mental illness, single parenthood, and other "markers of vulnerability." But homelessness does not occur where the housing environment is favorable to the housing consumer.

Causes of Homelessness

In looking at different factors influencing the slide into homelessness, Buckner concludes that the following influences move individuals on a pathway into poverty and homelessness:

- *Lack of monetary and extended family resources.* For example, the U.S. General Accounting Office, and social researchers such as Peter Rossi, have found that individuals who lack social and economic resources and must depend on relatives or friends for housing are at increased risk for homelessness.
- *Substance abuse and mental disorders.* A psychiatric survey in Los Angeles revealed that 12% of the homeless population had both substance abuse and mental illness problems. When rates were compared with the general population, the homeless were thirty-eight times more likely to have a diagnosis of schizophrenia, five times more likely to be diagnosed as having a major depressive disorder, and three times more likely to have a primary diagnosis of alcohol abuse.
- *Debilitating physical illness.* For example, in studies in the late 1980s, 64% of homeless women were found to have gynecological problems. Roughly half of both men and women had cardiovascular problems. Tuberculosis rates were twenty-five times that of the general population.
- *Physical and sexual abuse.* A number of studies have found a history of abuse across samples of homeless women.
- *Fragmentation of social support networks.* Homeless mothers were found to have less contact with their parental and extended families than housed mothers. Buckner suggested that it is likely that the higher rate of abuse among homeless women may result in broken family ties.
- *Lack of adequate education and employment.* To no one's surprise, across a set of studies funded by the National Institute of Mental Health in the mid-1980s a consistent finding was that the homeless are *less educated* than the broader population and much more likely to be *underemployed or unemployed.*

Recommendations to Evaluators

Buckner acknowledges that it is difficult to disentangle causes and effects. Do these factors result in homelessness, or are some of them a product of *being* homeless? Because of the difficulties, Buckner strongly suggests limiting research to the *newly* homeless. He also

> The rising number of homeless persons is the result of the growing number of individuals who are now at risk of homelessness, 'at risk' status reflecting the combined effects of a myriad of influences.

takes the position that we need two kinds of information: 1) information about the *outcomes* of programs targeted to the homeless, and 2) information about the effect a program has on the *residential stability* of the broader population. Again the research perspective should emphasize phenomena at two levels, he says, the societal and the individual. In areas where low-income housing is scarce, for instance, interventions increasing an individual's competitiveness will hardly be sufficient, as a singular strategy to reduce homelessness.

"Challenges in Evaluating a National Demonstration Program for Homeless Persons"

In their article in *New Directions*, Robert Huebner of the National Institute on Alcohol Abuse and Alcoholism, and Scott Crosse of Westat concentrate on evaluation problems encountered in seeking better information on program designs, implementation processes and the effectiveness of efforts to assist homeless individuals and families with substance abuse problems.

Funded by Stewart B. McKinney Homeless Assistance Act money, the National Institute sponsored a nine-site demonstration requiring an evaluation component. The strategy involved both a process and a net impact evaluation of each site, with the Institute conducting a cross-site evaluation. The net impact study was to utilize a quasi-experimental or experimental research design.

Project Goals

The primary goals of the demonstration were to reduce levels of substance abuse and increase access to available emergency, transitional and permanent housing. The secondary goals were:

- To help the homeless obtain government benefits, such as SSI.
- To assist them in obtaining vocational training and employment.
- To increase cooperation across human service agencies in providing a wide array of services.

Having been given flexibility regarding the specific elements in sites' program designs, the resulting site-specific strategies varied considerably across the cities selected to participate in the demonstration.

Evaluation Challenges

Although there was a basic set of evaluation requirements, the separate *evaluations* of the city programs also varied substantially. A few sites used an experimental approach; the majority used constructed comparison groups of differing quality. Also the make-up of the research samples varied from one site to another, in terms of the program and treatment statuses of the individuals studied, and the point at which outcomes were measured.

The national-level evaluation challenge was deciding how to summarize results in a decentralized project whose sites differed regarding program philosophies, treatment techniques and target populations — and whose site evaluations used different methodologies.

The authors feel there were important evaluation lessons from this large-scale effort that could be applied to future homelessness studies. They made these recommendations:

- Increase comparability in site-specific and subsequent national evaluations by first developing a *standard research approach for the national evaluation* which can then be mandated for the site-specific evaluations.
- Conduct *cross-project analyses* based on a standard set of 'ingredients,' focusing on programs that are similar in terms of their interventions, target groups and program environment. The main ingredients should be 1) a similar set of client selection criteria and a similar selection process, 2) common data collection instruments, procedures and schedules, and 3) a similar research design.

"The Evaluation of the Homeless Families Program: Challenges in Implementing a 9-City Evaluation"

There is accumulating evidence that homeless families need comprehensive social, health and support services, and assistance in accessing existing resources. Debra Rog of Vanderbilt University discusses research issues in evaluating a project funded by the Robert Wood Johnson Foundation and the U.S. Department of Housing and Urban Development, the five-year *Homeless Families Program*. The purpose of the demonstration was to identify effective service strategies from among those developed by these cities, for replication elsewhere. The cities selected were funded to develop comprehensive systems for homeless families with multiple problems. Emphasis centered on greater coordination and utilization of existing resources.

Evaluation Approach

The cities in the demonstration differed in terms of whether government or community-based organizations were in the leadership role, what populations were targeted, and how funds for additional housing were used. The evaluation design was descriptive, with greatest interest in 1) the nature of the target populations, 2) the kinds of system initiatives and specific services-enriched housing interventions used, and 3) the outcomes of these efforts. A uniform management information system was developed for use across the city projects, structured case studies were conducted, and within-site data analyses were carried out.

Evaluation Strengths and Weaknesses

Despite the standardization of information collection, Rog detects a number of weaknesses in this research:

- The evaluation relied on case managers to collect information for the MIS, which could have introduced considerable bias.
- No data were collected on families after they left the program.
- The ability to evaluate the program's effects on individual families was limited.

Nevertheless, Rog finds genuine value in this kind of descriptive research. It produced detailed, uniform information on the needs, characteristics, project participation and outcomes of each family. It also produced information on the implementation of service systems in each site using multiple information sources. And it provided comparative data across sites. This body of information had practical implications beyond the nine cities — about case management strategies, interventions with families who had a whole cluster of problems, and about human service system change.

Some Comments

Quantitatively-oriented outcome studies, particularly experimental net impact studies, gained considerable prestige in the 1980s and continue to enjoy much respect in the evaluation research community. However, emerging social phenomenon do not always lend themselves to the most rigorous methodologies. American *homelessness* is certainly an example. Exploratory and descriptive studies such as those reviewed here provide significant clues that can help direct more sophisticated research. The identification of major variables for further study is an important achievement in itself. Moving from more general issues to those amenable to quantification is an appropriate research chronology for problems about which we need to know far more if we are to develop meaningful policy.

The Homeless and JTPA

At the end of the 1980s, the National Commission for Employment Policy came to a pessimistic conclusion, that despite the growing national concern about homelessness, little progress had been made in addressing the long-term employment needs of this population. Since the JTPA amendments stressed a greater effort in behalf of the 'hard-to-serve,' NCEP decided to take a careful look at the way in which JTPA had been able to affect change in the employment status of the homeless.

The Commission's 1990 report on this study, *Helping the Homeless Be Choosers: The Role of JTPA in Improving Job Prospects*, produced useful findings and provided important policy recommendations for the President, Congress, and employment and training community.

The Context of the Study

The size of the homeless population has defied precise measurement, but it is considered somewhere between 400,000 and 700,000. What we know more accurately is that this population is growing rapidly, and its characteristics are becoming more diverse — as diverse as the general population. By most accounts, *families* are the fastest growing segment. Most of these families are headed by women and include two to three children under age five. NCEP reminds us in the report that these estimates say nothing about the 'near homeless' and the 'housing vulnerable' which would swell the homeless population if counted. Many of these individuals and families are living temporarily with relatives or friends. One study suggests that an additional four to fourteen million American families are in this latter situation. Any economic downturn would increase this population further.

The Urban Institute's 1989 survey of over a thousand homeless individuals using shelters and soup kitchens in twenty cities revealed these characteristics of that particular portion of the homeless population:

- Eighty-one percent were male.
- Fifty-four percent were nonwhite.
- Approximately half were between 31 and 50.
- Almost half had not graduated from high school.
- Over three-fourths were unattached adults.
- Ten percent were parent/children households, eighty percent of which were headed by women.
- Although most qualified for Food Stamps, only eighteen percent were receiving them.
- Two-thirds had been in at least one of these types of institutions: a mental hospital, a substance abuse center, a county jail, a federal prison.
- *Approximately six percent were working at a steady job; one-fourth had worked over the last month; over half reported that they had looked for work over the past month.*

A 1988 survey of twenty-six big city mayors by the U.S. Conference of Mayors produced different findings. In particular, they found a much larger proportion of families with children. As with all surveys, however, findings are related to the research sample, the survey methodology and the research environment. What all the studies have shown so far, NCEP concludes, was that the problems of the homeless go considerably beyond the need for housing.

Causes of Homelessness

NCEP's study pinpoints a number of factors considered to influence the growth in homelessness:

- Increase in those living for an extended time in poverty or near the poverty level.
- Long-term underemployment and unemployment.
- Decrease in jobs for low-skill workers.
- Decline in wages in jobs low-skill workers tend to hold.

- Permanent loss of certain kinds of jobs.
- Rise in female-headed families.
- Spouse and child abuse.
- De-institutionalization of people formerly housed in treatment facilities and reduction of funding.
- Decreased federal support for government housing programs.
- Lack of affordable housing.

The Commission also reviews a number of studies in the late 1980s whose findings are consistent with the overview of causes above, and support a focus on education, training and employment as part of a more comprehensive package of strategies.

Other Insights from the Study

The study involved a policy analysis regarding homelessness, telephone interviews with 55 urban JTPA Service Delivery Area directors, and seven in-depth case studies of city JTPA homeless programs. Figure 1 presents the major findings and recommendations.

The following program elements appeared to be essential to effective programs for the homeless:

- Careful screening of prospective participants to determine potential employability.
- Documentation that the client is, in fact, homeless.
- Adequate housing during program participation.
- Staff that are knowledgeable about and committed to the homeless, with strong support for staff through training and frequent meetings and retreats.
- A case management approach.
- Easily accessible substance abuse and mental health services to which staff can refer homeless clients, and continued monitoring of client progress in treatment.
- Close follow-up after program completion.

Conclusion

This important descriptive study supported the conclusion that homeless programs must be *comprehensive, staff-intensive, and highly coordinated with a strong network of providers that involves new segments of the service community.* The issue of expanded funding to support such a system is a critical policy question.

Figure 1 ▪ Study Results and Suggestions

Findings	Recommendations
1. **Eligibility** Uncertainty exists about whether homeless JTPA applicants must meet JTPA's income-based eligibility criteria. DOL permits states to waive requirements for the homeless, but not all states have honored this option.	Congress should clarify, through an amendment to JTPA or the McKinney Homeless Assistance Act, that homeless individuals are *automatically eligible* for JTPA, without having to meet income requirements.
2. **Support Services** The array of support services needed by the homeless, and the service intensity required, are greater than with traditional JTPA client populations.	Private Industry Councils should develop on-going, predictable *linkages with substance abuse and mental health treatment providers* to ensure that homeless clients needing such treatment are provided these services along with education, training and employment.
3. **Training** Many homeless persons lack financial support for training. The homeless lack a home base from which to make calls to and receive calls from employers. They require substantial support and monitoring from program staff in seeking employment.	Payments to cover training should be *needs-based.* Clients appropriate for training but unable to contribute should be *subsidized.* The proportion of JTPA funding that can be spent on support services should be increased from 15 percent to 20 percent. Also, DOL should encourage Private Industry Councils to develop *linkages with other providers of support services* to further expand these resources for the homeless, and to develop incentives to reward this kind of coordination. *The use of a job-search-only strategy with the homeless should be rejected.*

Figure 1 continues

Figure 1 continued

4. Use of Performance Standards The performance management system has not increased the type and level of services to the homeless in JTPA. The regression models used in this system actually discourage service to some groups, including the homeless, because no specific adjustment is made for the 'homeless' status.	DOL should require that the *status of 'homeless'* be added to JTPA data requirements. The inclusion of this client characteristic should encourage providers to increase service to this category.
Extensive homelessness is a recent phenomenon, therefore the national job training system has had little experience serving this group within the economically disadvantaged population, and little information has been available to inform policy and planning. Most Service Delivery Area directors view this group as difficult and costly to serve, therefore they are concerned that serving the homeless will take scarce funds from other target groups and reduce their ability to meet performance standards. Even though there is no evidence to support this anxiety, the growth in homelessness over the past decade could result in such a problem.	States should *study their performance standards policies* to ensure that 1) they permit adjustments for serving homeless clients, and 2) state-developed regression models do not punish Service Delivery Areas for serving the homeless. DOL should provide *technical assistance* to states to assist them in establishing policies for making such adjustments.
5. Incentive Policies The performance management system involves fiscal 'bonuses' for performance that exceeds standards. States have flexibility in developing criteria for awarding these incentives and in determining how incentive/technical assistance funds are to be allocated to high vs. low performers. Efforts to meet the award criteria have often conflicted with serving the homeless.	Congress should clarify that incentives can be awarded for *meeting as well as exceeding performance standards.* DOL should review cost standards, and states should take a look at their award policies to see how they can encourage service provision to the 'hard-to-serve,' including the homeless.
6. Housing If homeless clients cannot find adequate housing, employment and training efforts are not effective in terms of job acquisition and retention.	Private Industry Councils should play a role in increasing *affordable housing* in their areas.
7. Coordination with Other Providers The multiple needs and problems of homeless individuals and families require a comprehensive systematic response.	Private Industry Councils should learn how to *coordinate with and leverage resources via other service providers,* particularly providers of treatment and support services—i.e., providers with whom JTPA has not worked traditionally. Working with local service provider task forces and coalitions focusing on homelessness would be an effective way to accomplish this. PICs should also consider establishing their own task force or committee on employment and training strategies for the homeless.
8. Additional Funding The McKinney Act provides short-term grants for employment and training demonstration projects, such as those reported on in the article following this one. Only about half of the SDAs applied for these grants, due to the short response time re: the RFPs and to a limited knowledge of these projects and their funding arrangements.	DOL should increase awareness of the *McKinney Act's grants,* and provide a longer response time for developing proposals. DOL should also provide more timely and extensive technical assistance to grantees, and change the McKinney funding cycle to correspond to the JTPA planning/budgeting timetable.
EDWAA, the component of JTPA serving dislocated workers—whose eligibility requirements are not income-based—can be a funding and service resource for homeless who qualify.	More *EDWAA funds* should be directed to eligible homeless.
9. Outreach and Recruitment The majority of SDAs do not mount aggressive outreach and recruitment efforts with the homeless.	State job training councils should hold seminars or conferences to educate PICs and SDAs about the homeless, form a separate committee or task force, or add an expert on homelessness to their councils.

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The Department of Labor's Study of Homelessness

There was an alarming prelude to the Stuart B. McKinney Homeless Assistance Act. In 1987 it was estimated that as many as a million Americans could be homeless at some point in time, and researchers had reported rapid growth in the homeless population between 1983 and 1987. This expanding population was composed disproportionately of younger people, ethnic minorities, families, females, and the mentally ill. This unprecedented increase was thought due to economic restructuring and consequent job loss, the lack of affordable housing, more restrictive requirements for accessing welfare and disability benefits, the deinstitutionalization of mental health care, and the recent recession. National legislation was the response.

The U.S. Department of Labor Study

Against this somber background, the *Job Training for the Homeless Demonstration Program* was initiated. One section of the McKinney Act had directed the Department to plan, implement and evaluate this large-scale demonstration project targeted to the homeless. Begun in 1988, the purpose of the project has been to provide training and employment services to the homeless, and assist them in securing jobs and housing. As the first comprehensive nation-wide federal employment and training project directed specifically to this population, it was to provide insights for use in the development of future E&T programs for the homeless, including how best to increase collaboration and coordination across multiple service providers and the private sector to serve the needs of the homeless.

The implementation of the demonstration occurred in three phases and involved a total of sixty-two local projects. The demonstration was exploratory, emphasizing a beginning test of the feasibility of key program design features, and the development of an evaluation framework. The results of the *first year* were reviewed in a previous issue of *Evaluation Forum.*

The *second phase* expanded the demonstration to forty-five projects, fifteen of which had participated in the earlier phase. The *third phase* involved twenty of the sites funded in the second phase. The 1993 report on the demonstration, *Employment and Training for America's Homeless: Report on the Job Training for the Homeless Demonstration Program,* is the basis for the discussion in this article.

The Demonstration's Interventions

The local projects that comprised the demonstration were required to provide, or arrange for the provision of a menu of basic service options, even though they were encouraged to test innovative, replicable service strategies. The menu included these services:

- *Outreach, intake and program enrollment.*
- *Case management and counseling.*
- *Assessment and employability development planning.*
- *Substance abuse and mental health assessment and counseling, with referral to treatment if needed.*
- *Support services:* child care; transportation; medical services; and life skills/motivational training.
- *Job training:* remedial education; basic skills/literacy; job preparation counseling and job search assistance; work experience; vocational and occupational skills training; and on-the-job training.
- *Job development and planning.*
- *Post-placement follow-up and support services,* including mentoring and support groups.
- *Housing:* emergency assistance; assessment of housing needs; referral to housing alternatives; placement in transitional and permanent housing; and development of strategies to fill gaps in the supply of housing.

Evaluating the Demonstration

The evaluation was conducted at two levels: the individual project level, and the national level (across all local projects). It was to answer implementation questions, such as:

- The characteristics of program participants.
- The characteristics of the services provided.
- Factors affecting implementation, such as the level of coordination.
- Major outcomes.
- What the most effective service provision strategies appear to be.

DOL specified a uniform set of process and outcomes measures for use in the evaluation, and provided ongoing technical assistance to the sites. Part of the technical assistance effort involved the development of an ideal-type *service delivery model* as a way to assist local projects and monitoring staff. This model described the service delivery system as a logical sequence of services, suggested a wide range of support services, and recommended that a case management system be used. As projects sought to apply this model, alternative versions emerged which fit local problems more closely. These optional models relied heavily on client assessments and their implications for service delivery planning.

Major Findings

This was a very substantial evaluation effort, giving in-depth attention to aspects of both program implementation and outcomes. The study utilized nonexperimental exploratory and descriptive research designs, which were appropriate to the primitive state of our knowledge about the effectiveness of employment and training interventions for this population. Data analyses utilized both aggregate site-level data and participant-level data collected by the projects on key measures required by the McKinney Act and DOL.

Outcomes

The evaluation determined that establishing decentralized E&T programs for the homeless was indeed *feasible*. Twenty-eight thousand homeless individuals received services; twenty thousand received training; nine thousand five hundred obtained employment; and a similar number upgraded their housing situation. There was evidence also that the local projects had been able to respond to the different needs of clients with a broad range of characteristics. A significant number were able to overcome multiple barriers to obtaining employment and retaining jobs, which allowed them to secure more permanent housing.

Across local projects, job placement rates remained relatively stable — *approximately one-third of project participants obtained jobs. Nearly half of those placed had retained employment over the follow-up period of thirteen weeks.* The researchers suggested that case management, long-term follow-up and olther retention strategies, such as mentoring, likely contributed to job retention. But there was dramatic variation in employment outcomes *across agencies and organizations providing services.* In the second phase, for example, placement rates ranged from below twenty percent to nearly ninety percent. The research team inferred that this was due to providers having served a different number of clients, having served clients with different characteristics regarding employment barriers, having used different service delivery strategies, and having dealt with differing labor markets and housing situations.

The most striking result, given this diversity, was that most major subgroups of homeless participants experienced *similar placement rates.* The evaluators interpreted this as a support for well- structured employment and training programs serving a *wide spectrum* of homeless persons.

The average costs of training and placement varied substantially across sites, associated as one would expect with the kinds of persons served and the type of training provided. *The average cost per placement across all sites in the exploratory stage was $2,600,* which did not include services provided through referrals to other providers. Second-phase average costs varied considerably from site to site, with an average across all sites of $3,000 per placement. Differences were related to participants' characteristics, program size, the type and intensity of services, the ability of sites to leverage resources from other organizations and the service delivery strategy.

In terms of housing outcomes, the evaluators predicted that forty percent of participants in E&T programs targeted to the homeless could be expected to upgrade their housing and one-fourth to have secured permanent housing. *Incorporating housing assistance within the service menu was considered critical to successful housing outcomes.* It is important to note that housing outcomes did vary across sites *by subpopulations,* families with children being more successful in securing permanent housing. This was clearly associated with the greater availability of housing for families than for single individuals, rather than simply with the characteristics of single individuals seeking housing.

Program Implementation

A wide variety of service and treatment providers were involved in the demonstration project, such as community-based organizations, educational institutions, Service Delivery Areas and Private Industry Councils, mental health clinics and shelters. Some local projects targeted services to particular subpopulations of homeless persons. For example, in the first phase, although about half the sites served all homeless individuals, the others gave priority to special groups, such as youth, offenders, single mothers and the mentally ill.

The basic model proposed by DOL proved to be very important. The evaluators concluded that comprehensive, intensive services involving the wide array recommended by DOL were necessary, and that coordination across providers was essential. The development of an inventory and assessment of services available at the local level, which were relevant to the homeless, was considered a significant first step in careful planning.

The study revealed that only *a small percentage of the population identified as homeless was being served by JTPA.* Based on the Urban Institute's estimation of the homeless population, less than one percent of this population was being served by JTPA. Counting JTPA, the demonstration project, and the Homeless Veterans' Reintegration Projects, only two percent of the homeless population was being served by federal employment and training efforts.

Implications for Future Programs

In drawing conclusions from the rich pool of information from the study, and making recommendations about future strategies, the evaluators were interested in improving both access to services and their quality. Some of the major implications and recommendations are summarized in Figure 1 on the next page.

Some Comments on the Demonstration

We are just beginning to support serious research on homelessness. In the past five years we have seen genuine progress in directing policy attention to this growing problem, and approaching the study of its causes and consequences systematically. The research reported on in the previous article, and sophisticated efforts by the National Commission and Department of Labor have added significantly to the knowledge base about the nature and problems of this segment of the poverty population. They have contributed a great deal to our understanding of what kinds of program approaches will be most effective, and there are lessons in this research that go beyond the homeless. These can assist us in designing effective strategies for the underclass and welfare poor, and the traditional 'hard-to-serve' population within major national employment and training programs.

Figure 1 • Implications and Recommendations

Implications	Recommendations
Homeless individuals and families experienced limited access to needed services.	Expand outreach and strengthen recruitment efforts through linkages with existing programs serving the homeless, such as shelters and soup kitchens.
Existing services frequently lack housing assistance.	Incorporate housing assistance within employment and training programs, utilizing linkages with local providers of transitional and permanent affordable housing.
Because of the multiple problems of the homeless, they need access to a wide range of support services.	Expand existing employment and training coordination arrangements to include providers of substance abuse and mental health services, and transportation.
Housing is crucial to the success of employment and training efforts.	Develop a long-term job retention and housing strategy (up to a year beyond placement). Some effective methods include: life skills and housing management; skills training; longer-term case management; mentoring and support groups; continued provision of support service during a longer follow-up period.
Data on outcomes for a longer follow-up period than 13 weeks is important in estimating the effectiveness of specific kinds of employment and training programs for this population.	Establish a six months and one year follow-up period for measuring employment and housing outcomes, preferably using unemployment insurance data. To the extent possible, participant outcomes should be compared with those of similar individuals not receiving the program's services and referrals, *to estimate net effects.*
Close cooperation and coordination with suppliers of housing assistance and low-cost and government-subsidized housing is important in increasing access to housing for the homeless.	Increase contact and ongoing cooperation and collaboration between employment and training programs for the homeless and public housing agencies and other providers of low-cost housing.
The short-term nature of grants to local projects makes it difficult to develop strategies, maintain staff continuity and plan for the future.	Consider multi-year funding commitments contingent on satisfactory project performance.

Editor's Note

For other publications of interest, please see:

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Editorial Commentary

In concluding the Features Section it is useful to look at some of the characteristics of American households, families and children over the past three decades. This window on poverty was opened in the U.S. Department of Commerce's November, 1992 *Current Population Report.*

- *Educational Attainment:* Since higher educational attainment is associated with higher income, it is also associated with lower poverty rates. For those 25 and older in 1990, the poverty rate fell from 22% for those with less than a high school education to 9% for high school graduates and to 4% for those with one or more years of college.
- *Labor Force Participation of Women:* By 1990, 75% of married women with children of school age were in the labor force, and there has been a rapid increase in the proportion of women with infants who are in the labor force. In 70% of married-couple families both husband and wife worked. In female-headed families, a majority of household heads worked, but in a substantial proportion of these families no one had worked during the previous year.
- *Family Income:* Female heads of families experienced an increase of 37% in median income between 1947 and 1973, and a 5% increase between 1973 and 1990, but their incomes were 56% lower than for married-couple families in 1973 and 58% lower in 1990. In married-couple famlies with wives who did not work, median incomes were much lower than in families where the spouse worked, regardless of the work experience of the husband. With respect to the distribution of family income regarding children, income inequality increased between 1969 and 1989. The proportion of children with a low relative income increased from 19% to 29%.
- *Poverty Rates:* Families with children under 18 experienced a decline in poverty from approximately 20% in 1959 to 11% in 1969. In 1980 the poverty rate rose to 15%. White families had the lowest poverty rates, black families the highest. Income *inequality* increased among families with children between 1969 and 1989, and the proportion with a low relative income increased much more than the proportion with a high relative income.

  In married-couple families with children, poverty rates were particularly low, although they varied across whites, blacks and Hispanics. Poverty rates were much higher for married-couple families with children where only the husband worked, for two-parent families where only the wife worked, and for female-headed families where the household head worked. Since 93% of family households with children included one or more workers in 1990, a large majority of poor families were *working poor families.* Families maintained by nonworkers had very high poverty rates.
- *Poverty Rates for Children:* Between 1959 and 1969 the poverty rate for children dropped sharply from 27% to 14%. By 1990 the rate was 21%. Among children under 18, rates for black and Hispanic children were much higher than for whites. In 1990 the *youngest* children were those most at risk. Black children were three times as likely as whites to live in poverty; Hispanics two times as likely. Fifty-three percent of children under 18 who were in single-parent families were living in poverty, and rates were much higher for black and Hispanic children than for white children.

These changes in American families and family well-being are clearly disturbing. They beg for additional explanations and solutions. Using the results of an unprecedented number of careful studies of poverty issues since 1960, particularly those since the late 1970s, and nurtured by the new climate of policy concern and attention regarding poverty, poverty researchers appear to be revitalized. This will likely translate to increased use of the better research, greater innovation in suggesting anti-poverty approaches, and a continuing commitment to rigorous evaluation of these new ideas.

Commentary

Editorial Introduction

With a distinguished career in university education and public service, Robert Reich has had a persistent interest in understanding the causes and effects of evolving economic problems and opportunities. He is well known for developing strategies to respond to the impact of global economic change on working Americans, and was a major contributor to President Clinton's economic plan, *Putting People First,* which defined the central economic issues faced by the U.S. and proposed a comprehensive plan for addressing them.

Secretary Reich received a graduate degree in philosophy, politics and economics from Oxford University as a Rhodes Scholar, and has a law degree from Yale University. He served as Assistant Solicitor General in the Ford Administration, and assistant director of the Federal Trade Commission's Bureau of Consumer Affairs. From 1976 to 1980 he headed the policy planning staff of the Commission, continuing beyond his series of government positions to advise both business and government.

More recently, Secretary Reich was a member of the faculty of Harvard University's John F. Kennedy School of Government. While at Harvard he authored seven books and over two hundred scholarly and popular articles on the American economy and workforce.

In May, 1992, he co-authored and hosted an acclaimed PBS television series, "Made in America," which focused on the American economy, its role in the emerging international economy, and promising models for change. *Forbes Magazine* recently named Secretary Reich as one of the key individuals in the U.S. in the forefront of the movement to increase American competitiveness.

In this issue of *Evaluation Forum* focusing on poverty, we benefit from Secretary Reich's perspective on the macro-economic and workforce factors affecting the nature and extent of poverty in the U.S. He has commented that traditionally we have not viewed economic and labor force policy as *anti-poverty* policy, yet efforts to reduce unemployment and underemployment and to deal with worker dislocation must now be seen as significant macro-level strategies contributing to the reduction of poverty. The same set of approaches essential to the 'reinvention' of general labor force policy, he believes, can expand economic opportunity not only for the middle class but for the near-poor and poor. This informative commentary by Secretary Reich provides an overview of these new approaches, linking them directly to the results of competent evaluation research.

Getting America to Work: What's Working and What's Not Working in Workforce Policy

by

Robert B. Reich
Secretary of Labor

In his State of the Union address, the President spoke eloquently about the challenges still facing this nation, and his Administration's determination to meet them head on. The overarching goal is to enable all Americans to have full and productive lives: to eliminate the fear of loss of health care that so often accompanies joblessness, to move people off welfare and into work, to provide new jobs and skills for people who need them, and to ensure that our children have a chance to prosper and become responsible members of our society — even if they come from our toughest neighborhoods.

As the President said, the pillars of society are *family, community* and *work.* Work does more than put structure in our days and money in our pockets. It also grants dignity and independence — and can even provide meaning to our lives.

But today many Americans cannot get work, keep work, or advance in a career. Although the economy has been adding an average of 165,000 new jobs each month, the pathways to these jobs are not always clear. More than ever before, in this country, *what you earn depends on what you learn.*

If you have skills that come with a college degree or other training beyond high school, you will probably find a job and earn a good wage. But if you do not have the skills, you are more than likely to be without a job or stuck in a job that pays substantially less than the one you once had. For example, from 1980 to 1991, the real earnings of full-time workers over age twenty-five who had graduated from college *rose* by 9 percent. But earnings for similar workers who had completed high school but had not gone to college *dropped* by 7 percent.

Within a century, Americans have moved from the farm to the factory, and not to the computer workstation. Mass production manufacturing jobs, which used to pay good wages to people without much education or formal training, are disappearing — just as farm jobs began to vanish a hundred years ago. Fortunately, what is disappearing is being replaced by hundreds of thousands of new kinds of jobs — jobs that, at their heart, require workers to *identify and solve problems.* Not all of these jobs are in high-tech industries. And not all require a college degree.

There is the truck driver who has a computer and modem in his cab so that he can time deliveries to exactly when the customer needs them, and then can help assemble complex machinery. He is not a trucker in the old sense of the term. He is a technician, and he is making good money. There is the sales person in a department store who has complete responsibility for her section of the sales floor. She advises customers about new products in her specialty. And she orders the latest and best merchandise, in a sense managing the area she knows best. She, too, is earning a good living. There is the factory worker in a new kind of factory. She sits behind a computer, programming and reprogramming a robot that does the pulling and twisting that humans once did. She earns a good income. And a man in the same company who maintains and repairs computers continually upgrades and links them together in ever more efficient ways. Like the rest, he, too, has a good job.

And there are many others. In fact, most of the two million new jobs that were added to the economy last year required some education and training beyond high school. And *all* of the good jobs of the future will require *problem-solving skills and the capacity to continuously learn on the job.* Although the core duty to develop such skills rests with each citizen, government has a role to play in easing the individual's workforce transitions, and in helping individuals move from school to work, from welfare to work, and from work to work.

But here is the problem: the system we have in place to ensure that every worker learns and constantly upgrades his or her skills is not a *system* at all. It is a rag-tag collection of programs — a hodgepodge of initiatives, some of which work, many of which do not. In its place this country needs, and this Administration intends to create, *a true system of lifelong learning.* We will scrap what does not work, and build on what does. Here, for example, is what we know does *not* work.

- *Conventional, short-term training for disadvantaged teenagers.* At federal expense, tens of thousands of low-income, out-of-school young people receive three to six months of job training. An exhaustive study recently completed by the Department of Labor shows that recipients of such training experience no discernible benefit compared to low-income young people who do not get the training — *no improvement in job prospects, no gain in earnings.*
- *Targeted jobs tax credit.* In 1982, Congress established a tax credit to encourage employers to hire certain groups of disadvantaged workers. In 1991, to cite one typical year, some 428,000 employees were covered and credits claimed under this system. But according to recent studies by Cornell University's John Bishop and Grinnel Colleges' Mark Montgomery, at least *70 percent* of these workers would have been hired even *without* their employers receiving a tax break.
- *Small training stipends for Food Stamp recipients.* During the last fiscal year, the Agriculture Department's Food Stamp Employment and Training Program provided $165 million in job training to 1.5 million Food Stamp recipients — or about $100 worth of training for each participant. Studies show *zero impact* on employment prospects and earnings.
- *Income support without training.* Trade adjustment assistance is supposed to provide income support and training to workers displaced by foreign competition. But the Labor Department's Inspector General recently determined that about half of the workers who qualify *never enroll in training,* and thus fail to develop skills they need for the next job.
- *Training only for particular groups of displaced workers.* Along with trade adjustment assistance there is a special retraining program for workers displaced by defense downsizing, another for workers displaced due to logging restrictions in the Northwest, and yet another for workers whose job loss is connected to the Clean Air Act. Each of these programs expends vast resources trying to determine whether an applicant *qualifies.* Displaced workers who do not meet the requirements are out of luck.
- *Training for the wrong occupations.* Our researchers have found that U.S. training, vocational education, and loan programs turn out 80,000 certified *cosmetologists* per year — for a job market that each year has room for only 17,000.

This is a disturbing list. Investing scarce resources in programs that do not deliver cheats workers who require results and tax payers who finance failure.

So here is what we are going to do:

We are going to recommend *against* renewing the target jobs tax credit. We are going to *require training* as a condition for receiving trade adjustment assistance. We are going to *consolidate all programs for displaced workers* so they qualify for help regardless of why they lost their jobs. We are going to use a *national jobs data bank* to link job retraining tightly to where jobs exist.

We will also shift money away from what does not help Americans get jobs to what *does.* Here is a sample:

Job Corps. According to studies by a set of economists at Mathematica Policy Research, young people who have entered this intensive, one-year, highly structured training program earn 15 percent more per year thereafter than their counterparts. They are twice as likely to attend college, less likely to commit serious crimes, and will spend more of their adult lives in jobs and less on welfare. The combined benefits of this program, after only five years, are one and a half times its costs — a 50 percent return on the public's investment.

Classroom instruction combined with intensive on-the-job skill training. Another success story for disadvantaged youth is the Center for Employment Training, based in San Jose, California, with 28 branches around the country. CET connects what teenagers learn in school with what they will do on the job by placing local employers on CET's board and fostering close ties to the local business community. According to research by the Rockefeller Foundation and the Manpower Demonstration Research Corporation, CET graduates earned $6,500 more, in the two years after their graduation, than members of the control group.

Job training for disadvantaged adults. According to a recent study by a panel that included many of the nation's most prominent labor economists, even relatively short-term training is helping the approximately 300,000 low-income adults who enroll each year in federal job training programs. Their earnings are, on average, 10 to 15 percent higher than earnings in control groups given no training. Here again, earnings gains substantially exceeded program costs.

Combining supportive services, like child care and job search assistance, with job training to get people off welfare and into work. Evidence from pilot programs in California and Massachusetts show that job training combined with child care, continued health insurance, and job search assistance speeded the entry of welfare recipients into the workforce. And once employed, participants saw their annual earnings increase by an average of $500.

A year of more of education beyond high school. You do not need a degree to reap the benefits of investments in skills. A recent study by Thomas Kane of Harvard University and Cecilia Rouse of Princeton University shows that every year of skill training beyond high school boosts future incomes by 5 to 10 percent.

New approaches and new incentives. Researchers compared unemployed workers in Massachusetts and Washington State who received training in starting a new business with those who did not receive such training. Eighteen months after completing a program that trained the unemployed in entrepreneurial skills, participants were more likely to be working and less likely to be collecting unemployment benefits. In addition, a study by Bruce Meyer of Northwestern University showed that when unemployed workers received a portion of the remaining weeks of their insurance in a lump-sum payment — often enabling them to settle for lower starting wages in the next job — they were re-employed faster.

Job search assistance. Pilot programs in six states showed that unemployed workers who received not just an unemployment check but early help in searching for the next job were re-employed, on average, one to four weeks more quickly.

The Clinton Administration will build on these successes. We proposed, and Congress passed legislation to *identify workers at risk of long-term joblessness and provide them with early job search assistance.*

We are proposing *an expanded Job Corps.* And we are *combining classroom learning with on-the-job training.* The School-to-Work Opportunities Act will tie the classroom to work-based learning during the last two years of high school and for at least a year after graduation.

We will help move the poor from welfare to work, and help them stay at work. The President's welfare reform proposal will provide *child care, job retraining, and, where necessary, transitional employment.*

Finally, we are *converting the unemployment system into a genuine re-employment system.* The Administration is proposing legislation to create *"one stop" job centers* providing not only unemployment checks but also job search assistance, job counseling, and up-to-date labor market information. Jobless workers who want to start their own businesses will be able to do so without giving up their unemployment benefits. Lump-sum benefits will be available to those who get jobs quickly. And regardless of why a person loses his or her old job, he or she will receive up to a year and a half of instruction in competitive job skills, backed by extended unemployment benefits.

I have seen evidence that programs can work and produce results. In Sunnyside, California, the NOVA program provides a one-stop center where displaced workers have successfully upgraded their skills and gotten back on the job. I have been in Baltimore, where a program called Baltimore Works has succeeded in identifying and profiling displaced workers early and matching their skills to real job opportunities in the area. The program provides comprehensive services that help workers prepare for, and get, their next job. I have been to Louisville, where the Job Link Center brings together business, labor, education, and community groups to evaluate workers' needs, provide them with new skills, and help them find new work. These efforts, which are springing up around the country, show that we *can* make programs work — that we can do the right things to get Americans working.

Too often in American politics the debate over government programs has been a collision between two philosophical caricatures — opposite in direction, equally simplistic. One perspective, often associated with the Republicans or conservatives, holds that the difficulty of making programs work justifies surrendering all hope for making government a force for good in people's lives. The other perspective, often associated with Democrats and liberals, holds that the nobility of a program's intentions justifies surrendering responsibility for its results. Both these ideologies, I believe, amount to a retreat from the hard, vital work of designing programs that *deliver.* And neither is worthy of America's workers and families. They expect better. They deserve better.

If we are truly to make the fundamental changes Americans seem to crave, we must get beyond this sterile, childish game of "government works — no it doesn't — yes it does." *We must respect the real need for helping Americans navigate their workforce transitions, and respect the evidence about what is working and what is not. And we must accept the burden of proof in spending the taxpayers's hard-earned money and recognize that effective programs require clear-eyed, relentless assessment and reform.*

Where a program works and meets a real need, we will make it happen. Where it does not, we will eliminate it. And where it is broken, we will fix it. *Build on what is working. Get rid of what is not.*

Editorial Note

Secretary Reich's commentary was written in March, 1994, shortly after the Administration announced its legislative proposal for workforce reform. A review of his most recent book can be found in Issue #9 of *Evaluation Forum*.

Interviews

Editorial Introduction

We are privileged in this issue of the journal to learn from the ideas of three well-known experts. Secretary of Labor Robert Reich's commentary in the preceding section provided a macro-level perspective, an important context for discussing the roots of poverty and approaches for reducing it.

In this section, interviews with Senator Daniel Patrick Moynihan and David Ellwood, Assistant Secretary for Policy and Evaluation in the U.S. Department of Health and Human Services, offer significant insights about American poverty based on the extensive history of poverty research and policy action in which they have long played a decisive role, and on the critical part they are currently playing in restructuring anti-poverty policy and welfare reform.

An Interview with Daniel Patrick Moynihan

Editorial Introduction

Daniel Patrick Moynihan is the senior United States senator from New York. He is currently chair of the powerful Senate Finance Committee and a member of some of the most influential committees in the Senate. The only member of the Congress to serve in four successive administrations, in the 1960s and 1970s he also served as Ambassador to India and to the United Nations. He was President of the United Nations Security Council in 1976. Also, Senator Moynihan is one of the few social scientists in the Congress, having received a PhD from the Fletcher School of Law and Diplomacy, taught at Russell Sage College and Syracuse University and held a professorship in government at Harvard.

Senator Moynihan has written extensively on a range of social issues, having authored or edited over a dozen books and numerous journal articles. His contributions to our understanding of family, poverty, ethnicity, equity and justice, and international politics have been acknowledged through fifty-five honorary degrees, and recognition by a number of prestigious academic organizations including the American Academy of Arts and Sciences and the London School of Economics and Political Science.

The Senator has received a number of special awards such as the Meritorious Service Award of the U.S. Department of Labor in 1965, and the John LaFarge Award for International Justice in 1980, and was the first recipient of the Hubert Humphrey Award given by the American Political Science Association in 1983. In the early 1970s, he served as chair of the Board of the American Association for the Advancement of Science Advisory Committee, and was a member of the President's Science Advisory Committee.

Throughout his academic and government career, Senator Moynihan has had a compelling interest in the problem of poverty and the status of the family in American society, and has been the innovative thinker behind significant welfare reform initiatives responsive to the changing nature of families and poverty over the past few decades. He is considered the leading welfare authority in the Congress.

Question: Your interrelated careers as social scientist and policymaker have seemed to come together around the goal of assuring greater *equity in life quality and life chances* across American families. Resolving American poverty has been a persistent interest. Welfare reform has been a major concern. Could you comment about the history of your interests, and the American experience with anti-poverty and welfare reform efforts?

Senator Moynihan: As Assistant Secretary of Labor for policy and planning in the Kennedy Adminstration, I became interested in a national youth training and employment program, and proposed the President's cabinet-level Task Force on Manpower Conservation. The focus was on why roughly half the young men examined by the Selective Service relevant to military duty were rejected on the basis of their failure of the physical and/or mental exams. The Task Force's research found that the major proportion of these youth were *products of poverty*.

Lyndon Johnson took this seriously, promptly establishing the task force on poverty, of which I was a member. But interest in the Johnson poverty program began to move in all directions, and away from the one the Labor Department had advocated, which emphasized *job creation* and *a national full employment policy*. In the end, government's response to poverty became a work program for middle-class professionals.

The Family Assistance Plan proposed by President Nixon in 1969, with which I was involved, assured a guaranteed income for children and families with children. It did not pass the Congress. Subsequently, the Carter Administration made honest efforts to propose welfare reform, through the Equal Opportunity Pilot Projects, but there was no unifying concept or motivation for reforming the welfare system. In the 1980s, the fierce challenge to the existing welfare system did produce a response.

But the Reagan Administration's response was not consistent with what we were learning. The welfare system had changed significantly since its authorization. In the beginning of the AFDC program, half the children receiving assistance from AFDC had one or both parents dead. By the early 1940s the proportion had dropped to a fourth. By the early 1980s, only a few welfare families had this configuration. We had entered an era of *unprecedented increase in single-parent families* related to rising divorce and separation, and the status of never having been married.

In the beginning, the number of new AFDC cases had tended to rise and fall with the level of unemployment. And it had become clear that unemployment was correlated with numerous kinds of family dysfunction. As we moved from the late 1950s into the early 1960s, however, the linear relationship between new cases and unemployment weakened and ultimately disappeared. *The indices of social stress* — separation, welfare — *were going up even as unemployment was going down.* This pattern held true for whites and blacks, but most strikingly for blacks. I hypothesized that employment might have lost its power to determine social arrangements — that is, deprivation, discrimination, and disorganization might have been sustained sufficiently to be *reproducing itself.*

Kenneth Clark's *Dark Ghetto* now seemed believable, with its assessment that the urban ghetto was characterized by self-perpetuating *social pathology,* a contagion that could spread to the larger community. I became increasingly concerned about the influence of economic change on family change in the black population. This led me to write *The Negro Family: The Case for National Action.* It was consistent with what Clark's and Frazier's earlier work suggested, that as a result of family disorganization, many black families were unable to function as appropriate socializing agents for children and youth, which then handicapped these young people in their relationships to community institutions. This disorganization, I suggested, was related to the failure or inability of the father to play his required parental role. The most significant indicator of growing social disorganization in the black community appeared to be *the growth of single-parent families in poverty.*

Despite the achievements of the civil rights movement, I claimed there inevitably would be unequal outcomes for blacks in American society given the large proportion of children raised in poverty, and insisted that we take steps to prevent jeopardizing the civil rights movement through neglect of this major social issue.

In 1980, the Subcommittee on Public Assistance of the Senate Finance Committee, of which I was chair, held hearings on welfare reform. We received decidedly grim information. The major insight was that the provision of assistance to dependent children had been sharply reduced over the 1970s — in fact, even withdrawn entirely from a great many persons and families. And no one had seemed to care or protest.

As benefits remained fixed and prices rose, more and more families with *any* income found themselves ineligible for public assistance. At the same time, public policy toward families had become polarized between two extremes: government protection of a range of emerging family life styles, and the protection of the traditional family from government, through the repeal of programs supporting poor families.

Question: What were you learning already in the 1960s that disturbed you about government's approach to families and poverty?

Senator Moynihan: The legislative agenda of the New Deal had finally been completed with the passage of the Elementary and Secondary Education Act and Medicare in the 1960s. The quality and decency of life in the U.S. were far greater than in the past. Yet there was a proportion of the population whose lives had somehow not been touched by general affluence. They had, in fact, fallen further behind. Family *structure* seemed related to this phenomenon. It seemed possible that the processes that were leading to prosperity were also producing much of the poverty.

In *Family and Nation,* I suggested that both prosperity and poverty appeared to be linked with the "pathology of postindustrial society." I felt this issue must be addressed as the '60s ended. The times seemed right, finally, for the development of a *national family policy.*

Until then policy had been focused on *individual* well-being, a pattern unique to the U.S. Most industrialized democracies had embraced a wide range of social programs specifically designed to support the family, the *family allowance* being the most frequent element. But no comparable family policy had been supported in the United States. American individualism precluded this development. American history explained much. It had contributed to diverse family structures and behavior — an aftermath of immigration. Even though family cohesion and socio-economic achievement clearly were highly related, there was no systematic exploration of this phenomenon. Social programs, such as AFDC, essentially stigmatized the families it served. To a large extent, a family had to be classified dysfunctional to be assisted.

In my four years in the U.S. Department of Labor I had an opportunity to observe and study federal manpower training and antipoverty programs. The unemployment rate for adult black males was 9.2% at that time, twice that of whites. (Twenty years later, of course, these rates nearly doubled for both groups.) We were expecting these men to raise stable, disciplined children in some of the worst urban housing in the industrialized world. *I concluded we were expecting the impossible.*

A major lesson in American history was being ignored, namely that a country that allows a large number of young men to grow up in broken families, surrounded by women, unable to develop a stable relationship vis-a-vis male authority, and not able to acquire rational, planful expectations about the future, will reap crime, violence, unrest and disorder — and a furious resistance to the norms and desired conduct of the larger society. This is not to say that single-parent households cannot be a better environment for children than the alternatives that lead to family breakdown. It is to say that we have learned that *the lack of male role models and the absence of adequate employment* pose serious problems.

I proposed, at that time, that it was imperative that we address the issue of what was required for a working man to raise a family in an American city, and see that those requirements were met. In essence, we needed a national family policy not unlike the national employment policy exemplified by the Full Employment Act. In *Family and Nation*, I suggested it would have been enough for a national policy on the American family to declare that government "promote the stability and well-being of the American family; that the social programs of the federal government would be formulated and administered with this object in mind; and finally that the President...report to the Congress on the condition of...the great range of American family modes."

In my introduction to Alva Myrdal's *Nation and Family* I contended that the government could hardly avoid policies that influenced family relationships. The only option for government was whether these would be *purposeful and openly communicated* policies or residual and indirect ones. By 1980, looking back over all our efforts to construct something like a national family policy, I concluded those efforts had failed.

Question: In *Family and Nation*, you talk about "the fit between the structure of social problems and the political responses to them." Would you comment?

Senator Moynihan: The civil rights strategy of the early 1960s fit the civil rights problems of that era very well. But by the mid-1960s, a poor fit between them began to develop. Entirely new problems emerged. As Counselor to the President under Richard Nixon, my position was that there were new developments that posed a serious threat to the welfare of blacks and the general stability of the society, the most evident being the incidence of antisocial behavior among black males. I suggested we had to move beyond the strategies characterizing the civil rights movement to resolve such emergent problems. Earlier civil rights methods simply no longer fit the problem. They did not adequately address the issue of the new underclass. They did not respond to the growing schism between *an increasingly successful black middle class and an increasingly socially disorganized lower class.*

Question: What was happening to families in the 1970s that strengthened your conviction that we were ignoring issues surrounding urban poverty?

Senator Moynihan: During the 1970s, female-headed families became the majority of poor families with children. By 1980, the proportion was 56%. In New York State, the proportion was 2/3rds. *The change in the structure of black families was related to a decline in real family income.* If family structure had not changed, the average income of minority families would have increased more rapidly than that of white families. In fact, dependent families as a group (whites and blacks) were worse off at the end of the 1970s than at the beginning. And this represented a large subset of the population.

In 1981, half the children being born were likely to live in a female-headed household at some point prior to turning eighteen. Seventy-five percent of minority children were likely to do so. By 1984, experts estimated that 1/3rd of white youth and 3/4ths of black youth then aged seventeen had spent part of their childhood in a broken family. They projected that in ten years, 46% of white youth and 87% of black youth would have done so. Finally public attention was drawn to the *feminization of poverty*, related to the circumstances of many female-headed single-parent families.

In 1980, the National Advisory Council on Economic Opportunity stated in their annual report to the President that "if the proportion of poor who are in female-headed families were to increase at the same rate as from 1967-77, the poverty population would be composed solely of women and their children by the year 2000." This information helped separate the issue of *family structure* from the issue of *race*. Yet there was little public policy debate.

The 1980s involved the first genuine, if silent, depression in half a century. The poverty rate was at its highest level since 1965. In the economic expansion that followed, poverty among the elderly was significantly reduced. But poverty among children declined by only 21%. For the first time, *the number of poor female-headed families was more than the number of poor married-couple families.* And the proportion of poor black children under age six rose to 51%. By this time, the great majority of poor adults were women — almost 2 out of 3 in 1984. More than one child in five was living below the poverty line; of these, almost one black child in two, and more than one in three Hispanic children.

In 1983, the U.S. Commission on Civil Rights produced a report that reflected and legitimated publicly the emergence of a whole new set of issues: the rise in female-headed families and the *increase in teenage out-of-wedlock parenthood.* Eleanor Holmes Norton, the Carter Administration's Equal Opportunity Commissioner and now a Congresswoman, stated that "repair of the black family is central to any serious strategy to improve the black condition." In the same year, a report on a conference of black scholars reiterated this position.

Question: Were we off-base in our early anti-poverty strategies?

Senator Moynihan: There never was a 'golden age' in the antipoverty struggle. Almost no social legislation was adopted under Kennedy. The only significant change in welfare was the Unemployed Parent Program under

AFDC. However, the Elementary and Secondary Education Act was certainly not unimportant. Under Johnson, there were two critical civil rights acts, but these did little more than to codify the constitutional guarantees of the post-Civil War amendments. Medicare and Medicaid were significant innovations, but these were *social insurance* rather than anti-poverty programs. The rest of Johnson's social legislation was limited. The Great Society years have been recalled as involving great increases in the size of the government and the amount of social spending, but this was so only to the extent that the Social Security program of the 1930s began to mature and pay out large sums. *The first major increase in the size of government was in the Reagan Administration.*

On the other hand, there have been more successes than we seem willing to acknowledge. *Regarding education, inequalities associated with economic status* have *responded to effort.* The conclusion is that programs designed to encourage equal educational opportuinty contributed to the reduction of differences in white-black educational achievement, and there were some gains due to compensatory education programs. Title I of the Elementary and Secondary Education Act was found to be effective for moderately disadvantaged students. Intensive early childhood education programs clearly produced results. None of these programs were panaceas. But they all contributed gains. They were *part* of a solution, not the *whole* solution.

Question: Your central thesis in *Family and Nation* seemed to be that the rise in the number of single-parent families headed by women complicated efforts to reduce poverty, despite some of the moderate successes of past programs. You ask, and proceed to answer the question concerning the extent to which the increase in poverty in the 1980s and 1990s is an artifact of changes in family structure and composition rather than a result of failed efforts to address some of its correlates.

Senator Moynihan: Poverty among the elderly virtually disappeared due to the Social Security program. The changes in the American family, however, could hardly have been foreseen.

In 1983, the Congressional Budget Office attributed the high poverty rate to recession, inflation and reduced income maintenance programs — but for two decades *the principal explanation was the rise of the female-headed household.* And the *age bias* in the poverty population is now its major feature. It is now children who are the poor, more than half of whom are male. The poverty rate among the young is close to seven times that among the old. This transformed our notion of poverty.

In mid-1986, a paper presented at the American Association for the Advancement of Science took a look at poverty among the young and old in six industrialized nations. They found, as I had, that children in the U.S. had higher poverty rates and their families had lower adjusted mean incomes than the old. They also had a higher poverty rate than the children in the other countries studied — the rate was at least twice as high in the U.S. I began to think that a universal pattern was emerging. Mature social insurance systems were gradually eliminating poverty among the aged, but *marital instability* and *tenuous labor markets* were leaving children poor even in affluent countries.

Our divorce rate is the highest in the world: one and one-half times our nearest competitor, the former Soviet Union. Urie Bronfenbrenner pointed out that we are the only advanced society that has allowed one-quarter of its youngest children to live in poverty, and suffer the long-term consequences of that experience. Some experts predict that by 2000, 70% of all black families will be headed by single women. These households are concentrated in central cities where the poverty rate for all school age children is very high. In fact, the urban poverty rate for all families is increasing, and increasingly the poverty population is dominated by women and children.

Female-headed single-parent households clearly tend to find themselves in situations that produce different life *probabilities.* Samuel Preston's research showed that 65% of the increase in the number of children living in poverty between 1970 and 1983 occurred in households headed by a woman. However, only 38% of *voters* lived with a child. This pointed to the new *politics* of redistribution. Federal expenditures on children were about one-sixth of the total spending on the elderly.

Another issue is the illegitimate birth rate in the U.S. It is far greater than in any other western nation. We can assume that these mothers are those most unprepared to raise children and most likely to be overwhelmed by child-rearing difficulties, particularly when their children reach adolescence. McLanahan, writing on single motherhood in 1989, noted that the prevailing view in 1979 had been that single motherhood produced no harmful effects on children, but recent research has been far less optimistic. Task overload was a significant factor.

Question: Your have often emphasized two themes in your books: the substantive theme has been poverty; the other has been the role of social science in informing and influencing policy. What is your perspective on the results of the series of scientific evaluations of welfare reform strategies in the 1970s and 1980s?

Senator Moynihan: There are several problems with taking them too seriously. We overpromised on many of these strategies. This is endemic to any period of political vitality, and may be necessary to support change — but it complicated reform. We cannot discount, either, the effect of research that was conducted as a way to advocate for a particular strategy, such as the negative income tax experiments. Also, the research was often so time-limited that we learned only about short-term results, when a longer period was needed to see the ultimate impacts. Frequently, the "social treatments" were diluted in the process of program implementation, and we were measuring the effects of much weaker treatments than were intended.

Furthermore, the outcomes for program participants were not always compared with similar individuals not exposed to the program, consequently no one knew, in some cases, what was influencing the results — the program itself may have had little to do with them. Also, since scientific method depends on the rejection of competing explanations for the results observed, emphasis tends to be placed on *negative* outcomes. The conclusion of some social scientists in the 1980s was that it is very difficult to design social programs that produce noticeably *significant positive results*, by themselves. On the other hand, policy makers often failed to see that significant *incremental changes could trigger substantial gains over time*.

Scientists like Henry Aaron took the position that the increase in the evaluation of programs using *experimental methodologies* was an important development in evaluation research. He felt more of this kind of research should be encouraged and supported. And this has come to pass. He viewed existing research results as demonstrating that social problems were subtler and more complex than we had thought. In many instances, he suggested, no one social program could be expected to change individuals or conditions to the extent or in the ways intended by their design in legislation. Aaron's view was that the Reagan Administration had missed an important opportunity when it shut down social research activities. I would certainly agree. The growth in evaluation research activities reflected a genuine desire to introduce a measure of conceptual discipline into the formulation of social policy.

There is enough of a knowledge base, both theoretical and practical, to allow us to anticipate what the present era looks like. We need to hold firm to that. The world does not defy understanding. And what can be understood can sometimes be modified. Ultimately the choices among government priorities and strategies are political decisions, but social scientists can have an important role in shaping and informing the political debate. They can isolate the important questions, and provide information about the direction and extent of the consequences likely associated with particular alternatives. Therefore they can assist policy makers in arriving at a more enlightened resolution of dilemmas.

Question: What *can* we do about growing child poverty?

Senator Moynihan: First we have to *care* about the trends. In 1984, 61% of poor adults were women. More than three-fourths of all the poor were either adult women or children. The poverty rate for children in female-headed households was 54% compared to 12.5% for children in all other families. When the value of food stamps, school lunches, subsidized housing and medical benefits are added to cash income, the poverty rate for children drops only to 15%; for the elderly it drops to 2.6%. Children represent less than 27% of the population but 40% of the poor. We should care enough about this to do something.

And what *should* we do? We must acknowledge the problem for what it really is. The issue of an *alarming rate of family disintegration* did not escape government or the experts in the 1980s. But Charles Murray, in *Losing Ground*, and other political conservatives blamed this on government attempts to reduce poverty. In the process, they produced little data to substantiate their claim. The welfare explosion took place in the 1960s. The change happened once, not in the 1970s or 1980s. It has not been reversed. And the increases took place in *programs that affect the poor least*. In 1984, David Ellwood, now Assistant Secretary for Planning and Evaluation in HHS, stated that a review of the data could only lead to a rejection of the increasingly fashionable view that poverty programs were the source of poverty problems.

If AFDC had been breaking up families and encouraging the formation of single parent families, the number of children on the program would not have remained constant through the period when family structure changed the most. Ellwood's analysis showed clearly that the fraction of all children who were living in female-headed households had increased dramatically since 1972, from 14% to almost 20%. During the same period, the fraction of all children in homes receiving AFDC held almost constant at 12%. Between 1972 and 1980 the number of black children in female-headed families rose nearly 20%, but the number of black children on AFDC actually fell by 5%.

In 1985, Ellwood and Bane analyzed the impact of AFDC receipt on family patterns. With one large exception, *they could not find any effects*. Differences in welfare benefit levels did not appear to be the primary cause of variation in family structure across states or over time. Largely unmeasurable differences in culture, attitudes and expectations seemed to account for most of the differences in birth rates to unmarried women, and in divorce and separation patterns among families with children. More important, however, was the finding that *the proportion of young black men who were employed had deteriorated rapidly over the previous decade, at the same time marriage rates for black women had fallen*.

The 1984 Panel Study of Income Dynamics revealed that a quarter of American families were poor for one to two years between 1969 and 1978, but only 2.6% were poor for eight or more years. A major conclusion of the study was that *the welfare system did not foster dependency*. The bulk of welfare costs could be attributed to the minority of recipients who remained dependent for the longer spells. *Seventy-five percent of all spells of welfare receipt began with a relationship change*. Only a fraction could be traced to decreases in earnings from employment. The previous relationship between dependency, income and employment no longer held true.

Looking at the record, *government had developed policies that benefited those better off among the poor*. The programs that appeared to work for those with the longer spells of welfare, such as "supported work," proved very expensive, and again their successes were limited. Furthermore, they demanded a great deal of client motivation and discipline. Consequently government avoided these programs in the 1980s, and behavior that was already self-destructive simply persisted and got worse.

My position in *Family and Nation* was that family disorganization had become a general feature of the American population, not just of an appropriately sensitive minority community. The question was whether competing and antagonistic factions in American society and politics could find any common ground for developing a national family policy. *The major organizing principle of such a policy had to be answers to questions about income distribution, not about the welfare system.*

Question: Would any viable national family policy resolve the problems we must now address — or is such a policy only one dimension of a solution to these problems?

Senator Moynihan: A credible family policy will insist that responsibility begins with the individual, then the family, and only then the local community, the larger community, and the society. The perception is growing that the minority community itself must exert a stronger effort to resolve the problems of the African American and Hispanic underclass. And leaders in these communities are responding. But government policies intended to address other issues, issues which may affect poverty, should be examined for *their impact on family policy.*

Question: What other strategies should be subsumed under a *national family policy?*

Senator Moynihan: The federal government is demonstrably good at redistributing income — such as through the tax system, through the Social Security system. *An expanded Earned Income Tax Credit and Child Support Enforcement program* are also redistributive. Even *federal work programs for teenage fathers* might contribute to income redistribution — that is, programs that are compulsory if child support has been mandated, with wages shared between father and mother. Redistributive strategies such as these may be the 'common ground' that will be acceptable to both liberals and conservatives.

The federal government is also good at enforcement. *Strategies to reduce drug trafficking and abuse* must be considered part of a family policy, since it is related to family integration and stability.

The issue of *employment* is, of course, critical. Unemployment rates of 50% among urban youth are unacceptable, even in terms of economic efficiency. *Wages* in employment are a major issue. Hourly wages in 1985 were just what they were in 1968! In eighteen years, average hourly wages in manufacturing had increased only 18 cents. Wages declined from a peak in 1973. In the space of a few years the incomparable growth in American society that began during World War II had come to an end. Our expectations for more or less steady growth had been a prominent dimension of national character. In the history of European settlement of North America, there had never been a sixteen-year period, as in 1986, in which there was no rise in real median family income.

The other side of this issue is the *concentration of wealth.* One quarter of the wealth in the U.S. is possessed by two percent of American families. Median household net worth in 1984, for example, was a surprisingly low $32,667, with home ownership accounting for 41% of total net worth. There is a distinct racial imbalance. Whites have nearly twice the income of blacks but twelve times the wealth. The median net worth of black households in 1984 was $3,397; the worth of black female heads of households was $671; the worth of black female heads with incomes under $10,000 was $88. At the same time, real incomes declined for all families *except two-parent black families whose incomes rose 3.9%.* Danziger and Gottschalk pointed out that the Census had confirmed what Wilson had claimed earlier in *The Declining Significance of Race* that we must now look to *social class factors* if we are to understand contemporary poverty.

Question: How optimistic are you about resolving growing poverty?

Senator Moynihan: We are now finally acknowledging how serious and complex this problem is, and how difficult it may be to solve. That is a significant step forward from the long period behind us where public policy consideration of poverty issues was delayed and retarded. We understand more about the role of changing family structure, employment, underemployment and dislocation, wage reduction and other causes of poverty. Openly appreciating and discussing the historical patterns that have brought us to our present situation is finally gaining political respectability. This is a critical basis for developing solutions.

Editor's Note

This interview in the spring of 1994 with Senator Moynihan reflects significant ideas in two of his books, *Family and Nation* and *Pandemonium*, and in recent journal articles regarding poverty and welfare. For those interested in learning more about Senator Moynihan's views, please see the selected list of his publications below:

Pandemonium (1993).

"Defining Deviancy Down," in *The American Scholar*, (Winter 1993).

Foreword to *The Prisoners of Charity*, a monograph of The Public Policy Institute, Albany, NY (1993).

"How the Great Society 'Destroyed the American Family'" in *The Public Interest* (Summer 1992).

On the Law of Nations (1990).

Came the Revolution: Argument in the Reagan Era (1988).

Family and Nation (1987).

Ethnicity: Theory and Experience (Edited with Nathan Glazer, 1975).

Toward a National Urban Policy (Editor, 1970)

Beyond the Melting Pot (With Nathan Glazer, 1970)

On Understanding Poverty (editor, 1969).

Maximum Feasible Misunderstanding (1969).

An Interview with David T. Ellwood

Editorial Introduction

David T. Ellwood, a Harvard labor economist, is the Clinton Administration's Assistant Secretary for Planning and Evaluation in the U.S. Department of Health and Human Services. He is the principal advisor to the Secretary for policy analysis, policy development and evaluation. He also serves as co-chair of the President's Working Group on Welfare Reform, Family Support and Independence.

Prior to his appointment, Mr. Ellwood was Malcolm Wiener Professor of Public Policy at the John F. Kennedy School of Public Affairs, and since 1992 served also as academic dean of the School and co-director of the Malcolm Wiener Center for Social Policy.

Mr. Ellwood is well respected for his penetrating analyses and extensive research on poverty and welfare, and on social policies and program strategies designed to assist poor families. In 1986, Mr. Ellwood served as a panel member on the National Academy of Sciences' Committee on the Status of Black Americans, as a member of Governor Cuomo's Task Force on Poverty and Welfare, and on former Governor Babbitt's Project on the Welfare of Families. He has been heavily involved with a number of major national research projects, including The Panel Study of Income Dynamics and research conducted by the National Bureau of Economic Research, Mathematic Policy Research, and the Manpower Demonstration Research Corporation. He is also a member of the Advisory Board for the Edna McConnell Clark Foundation.

David Ellwood is the recipient of the George Kershaw Award of the Association for Public Policy Analysis and Management for his outstanding contributions to the area of social policy. His book *Poor Support* was selected by the *New York Times Book Review* as one of the most important books of 1988. It was chosen also by the Policy Studies Organization as the outstanding book for that year. Mr. Ellwood's research and policy work is widely credited with significantly influencing the development of the Family Support Act of 1988, the report prepared by the National Commission on Children, and state social welfare legislation.

Question: In studying your work over the years, a central theme seems clear — you have insisted that an understanding of the *causes* of poverty must direct antipoverty efforts, and therefore welfare policy. Your perspective on 'causes' is very informative. In your 1988 book, *Poor Support*, for example, you stated that scientific methods can tell us much about the nature of poverty, but ultimate decisons about its causes and how to resolve it are inevitably tied to our societal *values and expectations*. Could you elaborate on this point of view?

Mr. Ellwood: Let me illustrate. If we expect that two-parent families with children should be able to escape poverty through full-time employment, 'the cause' we are concerned about is *low wages* and *the unavailability of jobs*. If we feel that a single parent should not have to do the job of two parents, 'the cause' that should interest us is *the lack of support from the absent parent*. In developing policies to deal with poverty, we must and do make judgments about ourselves and society. One appeal of welfare has been that it appears to *remove the need* to determine the causes and nature of poverty, and to avoid decisions about what is expected of the poor in such a society. But we are realizing that any policy that ignores these issues cannot provide genuine solutions.

Question: Do you see welfare reform initiatives coming any closer, in the 1990s, to responding to the real causes of poverty?

Mr. Ellwood: Yes, I think so. No one seriously expects government to *eliminate* assistance to the poor. Neither is government likely to support a guaranteed annual income, or a negative income tax. These strategies have not proven to be consistent with core public norms and values in the U.S. The movement is more toward helping people help themselves, with both the person and the government having responsibilities. We are moving toward the social contract Senator Moynihan instituted within the Family Support Act, in which government gives something and the recipient gives something back.

The parameters of this exchange respond more closely to the causes of poverty, and to our values of *work, responsibilitity, family* and *opportunity*. This movement represents the beginning of a change from a system of support that is designed simply to provide assistance until a person is no longer poor, to a more activist conception in which government's role is to help people make it on their own.

We have taken important steps in the 1980s to come closer to this agenda. These steps will not raise wages, eliminate child care responsibilities, reinforce and strengthen families, or integrate the poor into the economic mainstream. The goal must not be simply to make the welfare system function better. It should be to *replace welfare* with something that is more responsive to the problems actually faced by the poor — a system that ensures that everyone who exercises reasonable responsibility can make it.

Question: What is your view of the main problems the poor face?

Mr. Ellwood: I find it helpful to look separately at the problems of three large groups: 1) families in which the adults are already doing a great deal to keep themselves afloat economically — that is, two-parent families with one or two full-time year-round workers and single parent families in which the parent works full or part-time and tries to balance the dual roles of nurturer and provider; 2) families who are suffering temporary difficulties because of a job loss, a change in family structure or circumstances, or a personal problem; and

3) families in which parents have not been able to find work or need some form of long-term support.

The *first group* ought to be encouraged and rewarded. Instead they have often lacked medical protection. Or they fall into the welfare system where they are penalized for working, which imposes extra demands on them and generally stigmatizes them. The treatment of this group is one of the most disturbing features of our current system.

The *second group* needs help, but only until they get on their feet. Present policy often lets them fend for themselves or gives them an inadequate level of cash assistance, services and training, and little incentive to regain their independence.

Assistance to the *third group* is usually cash welfare assistance, over extended periods, when they really need work more than welfare.

Question: In *Poor Support* you proposed that programs that bring closely-held values into conflict are inevitably volatile and controversial — and that the American welfare system has been a prime example of this phenomenon. You commented that our intense empathy and desire for fairness, and our sense of community tend to conflict with equally strong beliefs in the importance of material prosperity, work, family and independence, which reduces support for welfare-specific solutions to poverty. You devote a chapter of the book to the major value tenets you feel influence our view of welfare. Could you comment on this?

Mr. Ellwood: I saw recurring themes in public and academic discussions of American beliefs. Four basic tenets seemed to underlie these debates: 1) *the responsibility and autonomy of the individual* — that is, American individualism, 2) *the virtue of work* — that is, respect for hard work in providing for families, 3) *the primacy of the family* — that is, in the socialization and education of children, in ensuring family material and social well-being, and 4) *the desire for and sense of community and opportunity* — that is, compassion and sympathy for others, and a sense of belongingness to a larger unit than the family.

Based on these values, Americans have expected people to be held responsible for their activities, families to provide for themselves, two parents to be needed to perform multiple family functions, and people to be treated with compassion, fairness and dignity. The sense of community leads us to prefer to integrate rather than isolate the poor, but our compassion is mediated by the belief in autonomy and family, *consequently we tend to consider more worthy of help those more like ourselves, and those whose difficulties appear to be outside their control.*

These values translate to goals for public policy: encouraging self-support and independence through hard work; assuring that people are responsible for their own activities; and strengthening families and integrating the poor while protecting their dignity and security.

Recent work on poverty issues has emphasized these values, and it is easy to trace the chronology of policy choices as they have reflected more emphasis on certain of these values than on others. *The challenge is to design social policies that are consistent with all these values, or that at least minimize the conflicts among them.*

Question: What trends in the last three decades do you feel have affected the value tradeoff?

Mr. Ellwood: The policies of 1960 were generally compatible with the values of autonomy, work, family and community. Welfare was only a very small expenditure, spent on single mothers who still were not expected to work. Between 1960 and 1976, we discovered hunger and discrimination, and fought an unpopular war, in one of the most remarkable periods of economic growth in American history. It was easy to view the poor as *victims*.

But by the end of the 1960s an intellectual revolution had occurred in our thinking about poverty. It solidified the definition of the poor as the products of disadvantage, oppression and isolation. Job Corps, Head Start, the Elementary and Secondary Education Act, desegregation and busing, urban and community development organizations, medicare and medicaid, and extended unemployment insurance — all of these came into existence. Training and education policies were seen as 'human investment' measures, and therefore did not conflict with our core social values.

Unfortunately, these policies did not adequately ensure economic security for the employable poor. Their lives were not dramatically transformed by a modest amount of services and training. Academics and policymakers concluded that cash transfers had to be expanded. And a new goal emerged: government should guarantee a minimum standard of living for all citizens. The negative income tax seemed a logical extension of the view that the poor were victims of an unfair, unjust social and economic system. For the first time, antipoverty strategy supported the *working poor*.

This strategy was consistent with our values regarding family strength and stability. It was endorsed by most social scientists, particularly economists, because of its simplicity and apparent equity. But the public did not support it, and Senator Moynihan's Family Assistance Plan, which applied this concept, was never adopted. AFDC was expanded and 'work incentives' incorporated, and attitudes changed. But AFDC remained primarily a program for single mothers, a group still not expected to work. And even after this expansion of AFDC, the welfare budget for the nonelderly and nondisabled remained small — only 11% of all social welfare expenditures and roughly 1.6% of the total national income.

The late '60s saw a booming economy which benefited the poor through increased access to employment and higher wages, and an expansion of programs to improve their situation. But wages stopped growing in the early 1970s. Families responded by sending more members into the labor market and reducing their costs. In this climate, welfare expenditures found less justification.

Two additional trends were undermining the legitimacy of the welfare system. One was the *dramatic increase in families headed by single mothers.*

Another was *the rise in mothers participating in the workforce.* Also, the results of the negative income tax experiments were suggesting that this kind of strategy would reduce slightly the work effort of recipients. Not unrelated, AFDC benefits in most states were not increased after 1976, not even adjusted for inflation, allowing their real value per family to fall by 30-50%. And *workfare* became acceptable.

Carter's welfare proposal expanded training and other kinds of human investment programs but the public no longer wanted to spend the money needed to implement it. Ronald Reagan's clear agenda was simply to cut welfare spending. Therefore by 1984, welfare expenditures per poor person had fallen dramatically. By this time, public attitudes had grown hostile to welfare, attributing increasing family breakdown and dependency to welfare policies. This was the case even though there was *abundant empirical evidence that these policies had vastly reduced poverty among the elderly, and improved the health of the poor, and that they had not been the main cause of family breakup.* The problems of the poor worsened the most, and family structure changed the most, at the same time means-tested programs were being drastically cut by the Reagan Administration. If rising benefits had made things worse, falling benefits should have made them better. The value conflict was now severe, and thwarted changes in social policy for almost a decade.

Assisting the poor was becoming increasingly problematic. Society could no longer support the idea that only those *unable* to work should be helped. It could not agree on who should be *defined* as unable to work. Nor could it accept the view that government should guarantee every citizen's economic security. We were left with a set of social policies that satisfied no one. And they failed to respond to the roots of poverty: *limited income, low wages, a lack of employment, the need to balance economic security with the socialization of children,* and *a lack of education and opportunity.*

> Certain basic tenets underlie discussions of American beliefs: the autonomy of the individual, the virtue of work, the primacy of the family, and the desire for and sense of community. These values translate to goals for public welfare policy. The challenge is to design policies that are consistent with all of these values, or that at least minimize the conflicts among them.
>
> David Ellwood
> in ***Poor Support***

Over time, the policies that have been most politically viable *have reflected society's basic expectations and tried to link strategies to causes.* For example, Social Security goes to the disabled, the widowed and the elderly. Unemployment Insurance goes to those who have been unemployed and only for a short period. But we cannot as easily decide what the goals of welfare programs should be, or who should participate. I suggested optimistically, in 1988, that if we look at the *why* rather than at the *who* of poverty, we ought to be able to come closer to the American ideal of a guarantee — that is, a guarantee that people who strive and meet reasonable social responsibilities will be able to achieve, at a minimum, a modest level of economic security and dignity. This is consistent with American expectations for opportunity, independence and prosperity.

Question: You have commented that the first and most obvious question in understanding the causes and nature of family poverty is "Why is the structure of the family changing?" What has your own research, and the research of other social scientists, led you to understand about the *feminization* of poverty?

Mr. Ellwood: The statistics have been dramatic. In 1960 only 7% of families with children were female-headed. By 1985 the figure was nearly 20%. And these data understate the *magnitude* of the change. The majority of children born in the U.S. today will spend some part of their childhood living in a single-parent home. The research shows that the vast majority of children raised entirely in a two-parent home will never be poor during childhood. The vast majority of children who spend time in a single-parent home will experience poverty. There is a continuing debate over the extent to which the changing structure of the family contributes to poverty, but it is clear that family structure is one of the most important influences.

Question: What patterns and trends have been most significant?

Mr. Ellwood: Four major social, economic and cultural developments were occurring as family patterns changed: *the entrance of more women into the labor market; the diminishing earnings of men; less liberal welfare benefits;* and *changing attitudes toward sex, marriage and family life.* Much has been written about the first. Let's talk about some of the other patterns.

When women began entering the labor force in sizable numbers the economy was growing. But in 1973 the economy stalled and has never regained its momentum. Workers faced a weak economy, a large increase in the number of women and young people competing for jobs, increased foreign competition, and a changing mix of industries.

As a result, the median earnings of full-time year-round workers have not grown since the early 1970s. Between 1955 and 1973, the median income of men grew steadily and substantially. Then suddenly the growth stopped. By 1985 the income of the typical full-time male worker was *below the 1970 level.* In addition, more and more young men were *not working at all.* The earnings of the cohort of men aged 25-34 in 1949 grew an average of 57% in the next decade. Their earnings began to fall slightly over the decade following 1973. The men aged 35-44 in 1973 saw their real earnings fall by 15% in the ten years that followed. The typical family that wanted to increase its standard of living, as earlier families had expected to do and had done, now needed to produce more workers to accomplish this. For single-parent families, or those where one parent stayed home, the decade following 1973 was much more severe.

This trend was particularly serious for *minority men.* The unemployment rate for African Americans and other minority men aged 20-24 steadily increased, reaching almost 30% by 1983. Many dropped out of the labor market altogether, which magnified this effect. In 1965, Senator Moynihan was one of the first to suggest that *family structure was likely to be closely related to the economic status of men.* William Julius Wilson later suggested that the dramatic decrease in marriages among blacks was related to a dramatic change in the number of "marriageable" men — that is, men with sustaining employment. Much evidence has accumulated to support this thesis, but questions about the relationship between these influences remain unsettled.

As for the role of *welfare benefits,* no highly regarded study has suggested that the receipt of welfare played a central part in altering family structure. However, surveys revealed significant attitude changes related to the women's liberation movement, which led to women breaking away from traditional roles. They also revealed a great shift in attitudes regarding sexual activity. For example, a National Opinion Research Center survey showed that the proportion of adults who believed in total sexual abstinence before marriage had dropped from 80% in 1963 to 30% in 1975. For college students it dropped from 55% in 1967 to 11% in the early 1970s. Almost half of first-time brides in the period 1960-64 reported that they had been virgins; the figure in 1987 was below 20%. Attitudes toward single women having children changed. Attitudes toward divorce changed. Sex outside marriage had become more acceptable and marriage less important.

All of these forces pushed in the direction of *altered family structures.* Each trend tended to increase the independent economic position of women and decrease the economic status of men. Together they generally made marriage seem less essential. In fact, the marriage rate plummeted, as did the birth rate, and divorce rates doubled from 1960 to 1980.

In white families, the *increased divorce rate* meant that more and more children were living with a separated or divorced parent. Existing families were being split apart and new ones were slow to form. During the period when the proportion of white children in female-headed families rose from 5% to 15%, the proportion of nonwhite children in female-headed families also tripled. However, because the rate started at 15%, its tripling meant that nearly half the nonwhite children were living in a female-headed household.

And there was another complication. The rate of births to unmarried nonwhite women has been higher, historically, than for unmarried white women. Given the overall trends I just described, one would have expected out-of-wedlock births for nonwhites to have skyrocketed, *but they did not.* In fact, the birthrates for this group dropped considerably. At the same time, however, the birth rates for *married nonwhite women declined.* As a result, out-of-wedlock births *as a percentage of all births to nonwhite women* rose from 22% in 1960 to about 50% in the 1980s. In other words, the reason for the changed proportion of nonwhite children born out-of-wedlock is not that more and more babies were being born to unmarried nonwhite women. The reason was that fewer and fewer babies were being born to *married* nonwhite women. They are marrying less often and having fewer babies when they do marry. This trend is a reflection of marriage and childbirth postponed or foregone. *Because of the dramatic decline in marriage and fertility, the never-married portion of the nonwhite population is growing fast.*

Teenage pregnancy is another element of the trends. In 1984, about a quarter of all single parents had their first child as teenagers. However, most of them were married at the time of the birth or shortly afterwards. Approximately 40% of welfare dollars go to women who were teen-age mothers. They fare worse in the labor market, stay on welfare longer, and may have more difficulty in raising their children. Eighty percent of teen-age mothers report that their pregnancies were unwanted. *The decline in marriages has meant that the* proportion *of babies born out of wedlock to teen-agers has risen.*

Question: You have proposed that it is useful to study the roots and nature of poverty for three major groups: two-parent families; single-parent families; and the ghetto poor. You pinpoint *labor market problems* as the primary cause of poverty for two-parent families. For single-parent families, you see more complex problems: *employment problems, problems associated with dual responsibilities,* and the problem of *an adverse welfare system.* Regarding the ghetto poor, who represent a very small proportion of the American poverty population, you have suggested that there are serious dangers inherent in a simplistic and ill-informed debate about the causes of and possible solutions to 'underclass' poverty. Would you comment on this perspective?

Mr. Ellwood: First, we have to ask what we are we talking about when we say 'ghetto poor'. If we accept the U.S. Census definition of poverty areas, less than 40% of all poor people lived in poor neighborhoods or communities in 1980. But this definition is too broad. A more natural definition of *ghetto poverty area* is a neighborhood with a poverty rate of 40% in a moderate-sized or large city. Using this definition, less than 7% of the poor lived in a big city ghetto in 1980. The black ghetto poor would represent only 5%. Ricketts and Sawhill tried defining the underclass in terms of concentrations of behavioral problems, such as the number of drop-outs, unemployed prime-age males, welfare recipients, and female heads of households. Based on this definition, these neighborhoods represented less than 10% of the poverty population in 1980. Over 75% of the residents of ghetto neighborhoods are African American, and these ghettos contain a larger percentage of long-term poor than other areas. This explains the high public visibility of the underclass, but we must understand what the empirical information is telling us.

The most productive and useful approach to ghetto poverty was suggested by William Julius Wilson. He says we must put aside the debate over whether underclass poverty is caused by cultural or situational factors and try to understand what shapes the attitudes, expectations and behavior of ghetto residents. *He focuses on discrimination, economic deprivation, the sheer concentration of poverty, isolation from traditional role models, inadequate education, collapsing labor market opportunities, the emergence of an underground economy, and a welfare system that fails to positively reinforce, reward and encourage work.*

Charles Murray's simplistic solution to ghetto poverty was that we dissolve the welfare system and cut off the lifeline to the 40% of ghetto families who are on AFDC. Few policy makers take this option seriously. On the other hand, although reducing welfare benefits will increase life difficulties for these families, there is something of a consensus that the current welfare system does not improve hope or confidence, and does not give recipients an adequate income floor or reward their efforts to become economically independent. It even penalizes them for trying. In that sense, the present system does not reflect or support commonly held societal values and expectations. That's why I think we must *replace* the current welfare system, not simply *reform* it.

Question: You have pointed out consistently in your writing and in your new position at HHS that the current welfare system fails for a very fundamental reason, that it primarily treats *symptoms* rather than *causes*.

Mr. Ellwood: I have been adamant about that. It does not address employment and wage problems, or the special problems of single parents. It does not address medical costs, or the costs of child care for working parents. It does not even provide adequately for minimum living costs for those unable to work. It creates a very strong 'us vs. them' mentality. And it denies recipients incentives for working and earning. The message of change is *employment and sustaining earnings*, and *the reinforcement of basic American values*. The goal is not to *mix* work and welfare, but to allow poor families to regain control over their lives, and to achieve some level of real independence.

The JOBS Program represents an important beginning. It was the first genuine redirection in terms of attitudes and expectations. The idea behind new reforms is to learn about, build on and expand JOBS. In this respect, there is much to be said for changing the *culture* of poverty through high saturation and participation in a JOBS-type program. Some recent successful programs have emphasized this level of intensity and involvement, such as Riverside, SWIM, LEAP, and the Teen Parent Demonstration. These programs offer a lot but also insist on something, with sanctions that reinforce expectations.

Recent research suggests that the major problem is long-term dependence on the welfare system, even though that dependence may be only intermittent. Ninety-one percent of young mothers who enter the welfare system leave within five years, but 70% of those return. The problem is usually low wages, and lack of medical and child care. Child support from absent fathers can make a difference. More skilled and higher-wage employment can make a difference. But one size does not fit all. The new system must be *flexible* in terms of permitting considerable local discretion in the implementation of programs within the new framework, and must respond to the circumstances and needs of *diverse groups* within the poverty population.

We have to continue to learn. Those of us in the policy arena do not pretend to know what all the pieces are. What we intend to do is to put *a change process* in place and work toward a very different system.

I honestly think this is our last chance for substantial welfare reform — not because the impetus for reform will disappear, but because there will not be enough *funds* to accomplish it. Also, there is so much pressure now to focus welfare reform efforts on *responsibility alone*, rather than on *opportunity and responsibility together*, that we have to be concerned about seizing this moment to change the system more in line with recurrent American themes and norms that have guided and continue to influence American society.

Question: What is your current thinking regarding an Administration plan for welfare reform?

Mr. Ellwood: There has been an overriding vision that we ought to do more to help people help themselves, and expect more in return. We are designing welfare reform to give people back the dignity and control that comes from work and independence. It is about reinforcing work and family and opportunity and responsibility. I believe ultimately welfare reform *will require changing almost everything* about the way we provide support to struggling families.

To achieve this vision, we are focusing on four main areas:

- Making welfare into a program of transitional assistance, followed by work.
- Making work pay, so parents can support their families through work.
- Promoting parental responsibility by improving child support enforcement and discouraging teenage parenthood.
- Reinventing government assistance by coordinating and simplifying income support programs, improving incentives, and focusing on performance rather than process.

To make welfare a truly *transitional* system, focused on helping people move into the workforce, I think everyone who receives cash support will be expected to do something to help themselves and their community. As soon as people begin receiving assistance, they will start on the path to self-sufficiency, including activities such as *job search*, or *education and training* when needed. These services will be closely coordinated with existing mainstream education and training programs, including current and new Labor Department programs (the Job Training Partnership Act and theWorkforce Security Act), School-to-Work programs, and vocational and postsecondary education.

Our thinking is that people who are able to work will be *limited to two years of cash assistance*, and most people will be expected to enter employment well before the two years are up. Those people who are still unable to find work at the end of two years *will be required to work in a private sector, community service or public sector job.* We are thinking of these as real, work-for-wages jobs. We will design the program to favor unsubsidized work and to ensure that subsidized jobs are short-term and non-displacing.

The Administration has already taken major steps to make work pay. A major expansion of the *Earned Income Tax Credit* (EITC) was put in place last year to help low-income families, and efforts will be made to help families receive the EITC on a regular basis throughout the year, rather than as a lump sum at tax time. *Health care reform* is another essential building block in making work pay, so that people do not have to stay on welfare for fear of losing their health insurance. Finally, we see *child care* as an important part of making work pay that should be addressed in welfare reform.

To promote parental responsibility, we will strengthen the child support enforcement system to *ensure that awards are established in every case, that fair award levels are maintained, and that awards owed are in fact collected.*

Welfare reform will also focus on preventing teenage parenthood, and on promoting responsibility among those teenagers who do have children. Minor mothers on welfare will receive *special case management services* and will be required to live at home and stay in school to receive income support. We may also provide fairer support for two-parent families by *eliminating or reducing the stringent eligibility rules that currently apply to two-parent, but not to single-parent families.*

We will reinvent government assistance by *simplifying and coordinating AFDC and Food Stamps rules to encourage work, family formation and asset accumulation.* In addition to incentives for clients, incentives will be designed to bring about change in *the culture of welfare offices,* with an emphasis on work and performance.

Editorial Note

The above interview was completed in the spring of 1994. For those interested in gaining a deeper and more detailed understanding of David Ellwood's ideas, please see these selected publications:

Welfare Realities: From Rhetoric to Reform (With Mary Jo Bane). Forthcoming in 1994.

"The Changing Structure of American Families" (Forthcoming in a conference volume for the U.S.-Japan Conference on the Family held in 1992.)

"Ghetto Poverty" (With Paul Jargowsky). Working Paper, Malcolm Wiener Center for Social Policy, Harvard University, 1990.

"Family Change Among Black Americans," (With Jonathon Crane) in _Journal of Economic Perspectives,_ 1990.

Welfare Reform (Edited with Phoebe Cottingham), 1989.

Poor Support: Poverty and the American Family, 1988.

"Poverty in America," in _Fighting Poverty: What Works and What Doesn't_ edited by R. Freeman and C. Ichniowsky, 1986.

"Single Mothers and Their Living Arrangements" (With Mary Jo Bane). Report for the Office of Planning and Evaluation, U.S. Department of Health and Human Services, 1985.

"Youth Employment in the 1970s," (With David Wise) in _American Families and the Economy_ edited by R. Nelson and F. Skidmore, 1983.

"Teenage Unemployment," in _The Youth Labor Market Problem_ edited by M. Feldstein, R. Freeman and D. Wise, 1982.

Evaluation Issues and Activities

Editorial Introduction

This section of Issue #10 focuses more specifically on welfare system issues. At the international level, we review a new study focusing on changes in European 'welfare state' concepts. At the national, state and local level, the emphasis is on welfare reform efforts funded primarily by the federal government and operated with considerable discretion by states in local communities.

At The International Level

What Is Happening to Welfare Systems in Western Europe?

■■

The Evolution of European Welfare States

The European 'welfare state' concept has held a persistent fascination for American social welfare specialists since World War II. Early on, proponents of the concept viewed it as a supreme anti-poverty strategy, a universal and comprehensive approach that did not specifically target particular groups and therefore avoided the stigmatization of the poor. More intensive contemporary studies of European welfare state models, however, have revealed significant differences across members of the evolving Economic Community — in how the welfare state is defined, the way in which it is being implemented, and predictions about its future.

This article reviews a new book on European anti-poverty approaches, *Comparing Welfare States: Britain in International Context* by Allan Cochrane and John Clarke of The Open University in the U.K. The authors' intent is to clarify differences in social welfare policies in Britain, Hong Kong, Ireland, Germany and Sweden, to suggest how these policies are related to the processes through which individuals and groups receive or are denied access to full "welfare citizenship," and to identify the general direction of change in European social welfare thinking. Prior to this review, however, it is useful to provide a context.

Changes in Europe's Economies

A substantial analysis in the New York Times in the spring of 1993 provided an important overview of the interrelated changes that have been occurring in Europe in the 1990s:

A special dynamism had been projected for European economies as they moved toward a single market in 1992. But instead, Europe's main economic contributors — Germany, France, Britain and Italy — were experiencing a much higher rate of unemployment than the U.S. or Japan, and inflation across these countries was ranging from below two percent to more than eighteen percent. EC members on the economic periphery trying to link their economies with the more affluent ones began to stall. Meanwhile, new European governments remained dependent on the EC's generation of economic growth and jobs. As unemployment rose, European investment slowed.

This malaise, experts have proposed, differs from the high-wage demands, low productivity and subsequent stagnation that occurred a decade ago. High German interest rates, intended to lower inflation, have been a significant influence in this recent slump. This situation is especially problematic given the influx of thousands of immigrants from Eastern Europe and the former Soviet Union. For example, Greece is experiencing an unprecedented movement of individuals and families from Albania, Poland and the former Soviet republics. At the same time, their unemployment rate is close to ten percent.

Greater social need accompanies higher unemployment and inflation in Europe, and is taxing EC member states' expensive social safety nets. These social security systems have provided unusual protection to individuals and families by American standards.

In the summer of 1993, for instance, the Ministry of Social Affairs of the Netherlands reported that about eighteen percent of the workforce was receiving disability pay — including pay for the effects of work stress. Social welfare for the ill, elderly and unemployed across the EC now represents a high economic cost. In Spain, for every individual working there is one receiving a social security benefit.

The same models that safeguarded Western Europe from the extremes of poverty have begun to affect economic progress. Most of these social welfare models finance social insurance programs through payroll taxes on workers and employers. As unemployment rises, there are fewer paying for social benefits and more needing them. The financial impact of the shrinkage of European economies has been severe.

As American social policy draws more heavily from European approaches, Europeans are growing more anxious about their welfare systems. Sweden, the most ample provider of social welfare benefits, recently cut the range and cost of welfare programs and restricted eligibility. Italy has done the same. France has lowered retirement payments, reduced medical reimbursements, and shortened the period during which workers can receive jobless benefits. Across Europe, more conservative and cost-cutting strategies are being instituted, despite significant protest.

European experts are claiming that benefit programs add enormously to wage costs, tend to reduce the economic competitiveness of employers, and reduce new hiring.

For example, in France an employer paying a minimum wage of about $810 per month will have to incur total wage costs of about $1,420 per month when counting wages and payroll taxes for social security programs. A German manufacturuer paying a worker $26 per hour may end up providing a total package of wages and benefits in which benefits amount to forty-six percent of the total amount. In August, 1993, the Organization for Economic Cooperation and Development (OECD) published a report stating that the generous unemployment benefits system in many European countries were likely contributing to long-term unemployment rather than to the provision of temporary support to job searchers.

Economic and labor market changes of this kind have pressed European governments to propose a shrinkage in their welfare states. Nevertheless, such shrinkage is likely to occur slowly, given the long-term bonding between Europeans and these protections. A Spanish economist commented that "in the U.S., work is regarded as a path to fulfillment...Here it is regarded more as a divine malediction, and social security is what makes it bearable." Clearly a fundamental question is facing European welfare states: "Have rapid global economic changes made these systems unsustainable, or are these changes simply creating temporary financial problems that will disappear with European economic recovery?"

This background provides a useful framework for reviewing *Comparing Welfare States.* The authors explain that the book was written to illustrate the value of comparative analysis for suggesting policy alternatives and for drawing insights from international trends to inform social policy. Although the book's primary purpose is to provide information to inform *British* welfare policy, it reaches more general conclusions about developments in European welfare policy which have implications for the U.S. as it struggles with another round of welfare reform.

Diversity Across Welfare States

Cochrane and Clarke define 'welfare state' very generally, as the involvement of the state in providing a range of social security benefits and social services, excluding the 'full employment' characteristic that was typically included in the definition. They acknowledge that most welfare states offer "a mixed economy of welfare" — that is, a public/private mix, and a mix of more-to-less formalized providers, networks and services. Much of the book details the authors' study of the different mixes that characterize particular European nations, and the policy implications of this diversity. For example, their assumption is that changes in the mix may be encouraging a disentitlement of certain groups, or may be requiring more responsibilities on the part of certain providers and/or beneficiaries. They are interested in such issues as whether disentitlement may be buried within new efforts to *privatize* social provision.

In comparing these mixes, the authors turn first to analyses of international data sets, such as those available through the United Nations and the OECD, which permit a comparison across key social welfare indicators — *public expenditures for particular activities, and patterns of income distribution.* Not surprising, a broad finding from these analyses is that political parties 'on the right' have typically resisted the growth of welfare provision, while 'social democratic' parties have encouraged such growth.

Based on these analyses, welfare systems appear to fall into these general categories:

Conservative welfare provision models: *Those in which "corporatist" arrangements are most prominent.* The state, rather than the market, is the important factor in the provision of welfare benefits, but not in the direction of a redistribution or equalization of resources. These models are more common in countries in which Catholic political parties are strong, parties on the left are weak, traditional family values are firmly entrenched, and there is a history of "absolutism and authoritarianism." The state is expected to intervene only when the family cannot seem to resolve its problems. Austria, France, Germany and Italy are considered to fall into this category.

Liberal welfare regimes: *Those which emphasize market-based social insurance and the use of means-testing as a tool for the distribution of benefits.* Benefits tend to be limited and targeted to the most-poor, because the assumption is that higher benefit levels will reduce work incentives. These models are highly differentiated and stratified, characterized by a combination of 1) a relatively similar level of poverty among welfare recipients, 2) welfare for the non-poor that responds to market forces, and 3) a dualism between the two, based on politics and social class. Examples of these models are the U.S., Canada and Australia.

Social-democratic welfare models: *Those characterized by universalistic and egalitarian principles, and higher standards for equalizing life quality.* Benefits tend to be provided at levels that are perceived to be acceptable to the middle class, with the working class afforded access to the same benefits. This model "crowds out the market" since all are beneficiaries and therefore dependent, and all are expected to pay. Full employment is a key element of these models because this both provides income support and helps pay for the welfare system. The state takes on many aspects of family responsibility, such as support for children and the elderly. The Scandinavian countries are examples.

The developers of this definitional framework recognize that no welfare approaches fit these ideal-type constructions perfectly. The U.K., for instance, is closest to the liberal cluster, but does not completely fit this model. Also, although the analyses of international indicators makes important assumptions about the different positions men and women hold in the labor market, these studies place too little emphasis on this factor. The importance of race is also underemphasized.

Trends in the Development of European Welfare States

Despite problems with the ideal-type models, and the lack of attention to gender and race, the authors view the three welfare state approaches above as useful ways to support comparative studies. Looking across EC countries in these categories, the authors examine two broad issues: 1) whether common trends across these nations are encouraging a convergence of ideas about welfare provision, and 2) whether there is movement toward a supra-national welfare state rooted in the structure of the EC. They explore historical trends, current approaches, and potential future directions.

The Period from 1960 to Mid-1970

Cochrane and Clarke begin with the assumption that welfare states are "more or less universal phenomena of advanced capitalism" and that in the first twenty-five years after 1945 the advanced capitalist countries have been "Keynesian" in linking the full employment concept with the provision of welfare benefits and services. They propose that *a set of common principles relating to mixed economies and welfare* were generally shared across Western Europe over this period. These national welfare regimes helped support "a global system of interacting national economies...characterized by mass production/mass consumption economies and extensive world trade, largely regulated at the international level through a financial system of relatively stable exchange rates dominated by the dollar and the power of the U.S. economy."

At the national level, they saw the Keynesian welfare state as a support for the level of production and consumption necessary to preserve economic and political stability. The expansion of welfare provision over this quarter of a century evidenced a general, continuing — even though slight — elevation of social spending as a proportion of national income until the 1970s.

And European regimes in this period had additional characteristics in common. All of these regimes have been essentially patriarachal in the sense that they ensured a secondary (protected) and dependent position for women as *family members*, not as social citizens. Within this general attribute, however, the systems varied. Britain and Ireland severely limited women's independent access to sources of income and welfare benefits. The French system emphasized support for women as mothers in the context of high levels of paid employment for women. Sweden made the assumption that women as well as men are breadwinners with reasonable access to the labor market. Both France and Sweden ensured better financial outcomes for women.

The Period From Mid-1970 to 1980

There were other similarities in European welfare states, according to the authors. These states have been organized around ways to include, and more importantly *exclude*, particular groups in society, in the process of helping define nationhood and citizenship. This has frequently reinforced existing forms of inequality and stigmatized those defined as *marginal* or *residual* — in particular, migrant workers whose relegation to low-wage employment has further reinforced such inequalities.

However, things began to change in the mid-1970s and 1980s. Social welfare expenditures, as a proportion of national spending, began to fall, or at least stagnate, while rates of real growth in social welfare spending also fell. Dramatic cuts there were not. Social policy retrenchment there surely was. The authors' conclusion was that welfare states were under new pressures in an increasingly competitive international environment. In fact, there is some evidence that those nations with the higher social welfare budgets and which placed greatest emphasis on full employment may have been less economically competitive in the late 1970s and early 1980s. However, it would appear that European welfare states were defining "austerity" differently, just as they were reflecting different welfare emphases.

The authors view this new development as a clear ideological shift away from the Keynesian welfare state concept. The 'new right' was gaining power as a source of alternative welfare agendas. Ways of *spending* welfare funds was changing, somewhat independent of decreased *levels* of spending — such as *the privatization of service provision, the creation of semi-independent government agencies, and the levying of fees for service*. This "welfare pluralism" was gaining ground over the more universalistic approaches of the past. Starting well before the collapse of communism in the Soviet Union and Eastern and Central Europe, this shift revealed the perception that market-based economic liberalism was beginning to frame the international social policy agenda. However, retrenchments in "welfare statism" varied across industrialized countries.

The Period from 1980 to the Present

Cochrane and Clarke feel that the changes occurring in the welfare states of advanced capitalist countries go well beyond reduced or stagnant spending. They suggest that *a wider restructuring and reshaping process* is taking place whose ultimate outcome remains undetermined. However, they believe that some aspects of this process are already identifiable:

- Welfare states are now "mixed economies" rather than welfare states in the traditional sense — that is, they are no longer unified bureaucratic systems of state-based provision, and there has been a significant shift of emphasis in this 'mix' towards *regulation and licensing*, and *funding and direct provision*.
- Welfare policy is now interpreted as an important element in *economic competition with other countries*. For example, competition for business investment is seen as being tied to a country having low welfare costs for investors, and forms of spending that are attractive in offer-

> With the collapse of the Soviet Union and the Soviet bloc, the unification of the two Germanys, and the turbulent movement toward a multifaceted European Community, we are witnessing an historic transformation of the interrelationship of nation-states. Other key features of the post-cold war era are connected to the onslaught of global market forces, such as the relocation and reorganization of manufacturing, the decline of industrial trade unionism, and the erosion of the European welfare state...Each of these developments offers novel challenges for domestic and regional political actors, shaping and constraining the options available to these actors as they confront distressingly unfamiliar social and political environments. Furthermore, they raise difficult questions about the creation of new lines of social and economic demarcation and the fundamental transformation of Western industrial societies."
>
> Kenton Worcester
> "Rethinking European Studies"
> in ***Items***, the newsletter of the Social Science Research Council, March 1994

ing a favorable social infrastructure for investment and innovation.

- Welfare may no longer be viewed as the sole responsibility of independent national governments, with the possibility of *shared responsibility* across a group of nations. For instance, the International Monetary Fund, the International Labor Organization and the EC may have a significant influence on the reshaping of Eastern and Central European social policy.

Western European Vs. Other Welfare States

Historically, prosperous Western European nations have taken it for granted that they had responsibility for providing welfare benefits, and have allocated fairly similar levels of funding for that purpose. This commitment has been significantly greater than in the U.S. and Japan. In the mid-1980s, most EC members spent between twenty-one and thirty-three percent of their GNP on social expenditures. Only Greece, Portugal and Spain spent a lower amount, similar to the level in the U.S. and Japan (18% in the U.S; 16% in Japan).

Again, the authors want us to keep in mind both the substantial differences across European nations and the similarities in their experiences. Differences occur within broadly-shared parameters, such as the continuing support for the role of the federal government in social welfare spending, provision and regulation, and increased pressures for budget austerity and retrenchment. Even though a spectrum of social policies are in operation, all these states have continued their commitment to a mixed capitalist economy. They retain patriarchal assumptions about social welfare policy. And they have relatively similar beliefs about who should be eligible for benefits.

Other analysts of welfare state development since World War II provide another perspective on developmental stages, which increases our understanding of this phenomenon:

- **1945-1948:** A period characterized by strong labor movements and the development of new social-democratic initiatives.
- **1948-Early 1960s:** A longer, more conservative and entrepreneurial period based on economic prosperity and the impact of the Cold War — a period when the definition of 'mixed economy' favored the dominance of the market while retaining a welfare role for central government.
- **Early 1960s-Early 1970s:** A period of economic boom at the end of post-war reconstruction — a period in which central government welfare spending grew dramatically and modernization efforts were seen as the way to recapture national competitiveness. The latter efforts did not succeed, which these analysts say led to the subsequent period of development.
- **Early 1970s-Early 1980s:** A period of "corporatism" in which new negotiations occurred in the development of welfare and economic policies in the context of major macroeconomic interests.
- **Early 1980s-Early 1990s:** A period in which a rise in both neo-liberal and neo-conservative approaches occurred.

These analysts concluded that 'Thatcherism' in the U.K. did not represent a radical change in Western European politics — rather it was a renewal of diversity in approaching welfare and economic issues. Despite such diversity, Cochrane and Clarke point to the widespread pressures being experienced throughout Western Europe for financial constraint, leading to lower-cost welfare paired with guarantees of less regulatory interference by central governments. Within the EC, these pressures are being reinforced by the need to compete with the relatively cheaper labor and lower welfare costs of *southern* European states. The model likely to result, they suggest, is the *liberal model,* in which "welfare tends to be residual and targeted, and not based on clear entitlements...or commitments to maintain full employment."

The authors believe that this approach is likely to be adopted also in the previously-communist Eastern and Central European states that are being absorbed within the European economy. In moving in this direction, some experts see European countries borrowing various elements from one another — tailoring them to their own needs and interests, but short of any real convergence of welfare models across the EC.

The Likelihood of an 'EC Welfare State'

Even though the authors feel the trend is toward a continuing mix of shared and diverse social policy agendas in Europe, they are not as pessimistic as some policy analysts about some sort of welfare state convergence across the EC. Although the EC has only limited power to operate independent of member states, EC politics involves a somewhat autonomous cross-national network for negotiation and bargaining through the European Commission and European Court of Justice. The Maastricht Treaty itself supported a cross-national, labor-market-oriented social policy. This focused on defining the rights of workers and the improvement of working environments, and the provision of some form of social protection. However, the social policy aspects of Maastricht, the authors contend, was an effort to reduce barriers in operating *a single economic market* rather than an effort to propose a positive social policy.

Irrespective of the motive for consolidating an EC social policy, the authors suggest that the development of a generalized "supra-national welfare state model" is not entirely out of the question. Their reasoning goes this way:

- One of the main sources of EC spending is the European Social Fund, which emphasizes the retraining and relocation of the EC unemployed. It implements part of a set of policies intended to *enable economic restructuring*. Within these policies, *welfare is defined in terms of its contribution to economic progress*.
- The EC's European Regional Development Fund encourages infrastructure development in the EC's poorest areas and those in industrial decline. In practice, this means a redistribution of resources from northern to southern Europe. In this sense it involves welfare policy. Again, however, it is tied to a larger goal: *economic growth*. The new trend rationalizes welfare-related spending on the basis of its contribution to economic modernization efforts, thus minimizing resistance from EC governments to any suggestion that EC spending might be defined as welfare spending.
- The EC's Common Agricultural Guidance and Guarantee Fund incorporates welfare policy more clearly, focusing on income maintenance for agricultural workers rather than for restructuring. Income transfers are masked by guaranteed sales for certain products and subsidies in exchange for witholding active production from land. *This* is welfare policy, the authors insist, in that the Fund provides a basic income for EC farmers.

The goals for these funds, Cochrane and Clarke maintain, imply a supra-national social policy as well as an economic agenda. This may support commitment to a new overarching European welfare state model.

Some analysts have even suggested the possibility of developing a "13th state within the EC" which would be responsible for a European Social Security System, of which individuals across national borders could be become 'protected' members — particularly *EC workers*. However, because this would increase social provision costs, Cochrane and Clarke do not consider this a likely option.

There is some agreement among experts, however, that "moderate minimum standards of income support and services" might be possible as an EC social policy. EC's funding of three anti-poverty programs between 1975 and 1990 have important implications in this respect. These were beginning efforts in the direction of developing *general prototypes* for use in member states. These efforts also encouraged increased research on poverty, particularly urban poverty, which enhanced the EC's social policy image. While it may be too utopian, the authors say, to expect evolution toward a trans-European income support and service system, the development of *general cross-national guidelines* for operating *national* welfare systems could occur, *particularly if tied to the concept of a single economic market*. This would help build on EC supporters' recognition of the importance of a 'social dimension' to the EC, one that would protect and improve the rights and life quality of EC workers as economic integration took place. And member states have readily acknowledged that the availability of a skilled and flexible workforce is necessary for international competition. *If social policy is closely linked to internal economic integration and external competitiveness, some coalescence of member states' welfare agendas may be possible.*

Debates about this issue have already taken two major forms:

1. A "minimalist approach" which advocates for *minimum rights* regarding workplace health and safety, labor force gender equality, disabled persons' access to employment, and the portability of workers' social security rights and benefits across borders.
2. A "social protectionist approach" which seeks to *raise standards of provision where they are low* and to *maintain them where they are high*. Supporters of this approach claim it would provide carrot/stick pressure on business firms to upgrade their technology and compete in growth markets by fostering a trained and protected workforce to compensate for rising labor costs. Advocates also say that a limited regulatory policy would protect the EC from becoming involved in the *direct* funding of provision in member states, something the EC currently wishes to avoid. This approach also gives less public exposure to potentially controversial resource redistributions.

The authors point out that key aspects of the second approach are already part of the EC treaties, directives and regulations — in particular its regulatory framework. This beginning framework has had a demonstrable impact already in terms of gender equality. It has also benefited workers moving within the EC in obtaining jobs. A continuing problem, however, is that regulations apply to the workforce exclusively, not to EC citizens generally. And the set of regulations now in force are merely coordinated. They are not part of an *integrated regulatory policy*.

The authors see possibilities for a more cohesive framework in 1) the effect this limited beginning may have on the thinking of member states regarding reforms of their *own* welfare systems, and 2) the fact that there is a continuing emphasis on the protection of member states' own indigenous workforces — and in relation to this, a comparative disinterest in the rights of imported workers from outside the EC. In addition to these positive and negative factors, some experts consider any future EC-based integration of guidelines covering "the rights of social citizenship" to be entirely consistent with the political basis and institutional structure of the EC. However, *action* in this direction has been extremely limited.

Expansion of the EC

The authors believe that two changes in Europe will influence the future of its welfare states:

- The likely expansion of the EC to include many of the countries that had been members of the European Free Trade Association — that is, Austria and Sweden.
- The effects of the demise of Eastern and Central European communist governments, in terms of significant reduction in their social provision.

Countries seeking incorporation within the EC, such as Sweden, feel pressure to bring their social welfare model into closer alignment with those of the dominant existing members — in particular to reduce their high welfare costs while attempting to sustain high levels of employment for women (although experts predict that the former effort can only mean a higher unemployment rate). Also, as prosperous economies, Sweden and Austria will be expected to pay a price for EC entry, which could increase EC funds for a 'social policy dimension'.

German reunification has been costly, with a large social policy impact. Previously-communist European countries face a striking change from a highly-regimented and inefficient universalistic welfare system promising full employment for men and women to 1) a more flexibly-managed system with a clear division of labor between men and women oriented to economic productivity and growth and 2) less social assistance. Substantial unemployment and reduced welfare budgets have been a shock.

What we are seeing in these countries, Cochrane and Clarke conclude, is a mixture of *liberal market-based residual welfare approaches, and conservative efforts to protect powerful groups,* such as the working class and some segments of the former communist bureaucracies. There are also indications that what the authors term "an authoritarian populism" is building in these countries. Economic development is now clearly the primary priority in these nations, with welfare highly dependent on overall economic success — much more so than in the existing EC countries.

If these additional nations are absorbed by the EC, which is likely, there may be increasing pressure to place a protective social welfare wall around workers in the core EC, with the effect that workers in Eastern and Central Europe will be treated as "economic migrants" with more limited benefits. Furthermore, these countries could not possibly meet the EC's current regulatory standards for the protection of employment and life quality. The possibility of *a two-track EC citizenship status* seems possible, and mirrors the different levels of EC resource allocation for economic activities between current EC members and these other nations. The authors feel that the expansion of the EC to include these countries will mediate against a central EC social policy, since the cost simply to bring these nations up to the EC's present limited standards would be sizable.

Some Conclusions from the Book

Inasmuch as American ideas about social welfare systems are increasingly drawn from the experience of Western European nations, and the EC represents a new forum for multi-national social policy debate and innovation, the authors see Europe as affording important historical and contemporary lessons about social welfare policy.

The most significant movement to observe and study, they say, is in these areas: 1) the definition of social welfare policy in terms of the labor market (economic progress) and the rights of workers, and 2) the extensive use of legal forms of regulation and legal definitions of entitlements. These elements have become universally accepted aspects of social policy throughout the EC. They support the perceived need to *provide a social welfare infrastructure to support economic competitiveness.*

The authors remind us that the assumption in this approach remains that "the norm around which social policy should be constructed is that of families based on a single breadwinner" — i.e. in most cases, then, based on a traditional family structure. As for a multi-national EC social welfare system, the authors' final verdict is that this outcome is a long way off if indeed at all plausible. They predict that the main sources of social policy change will remain at the level of member states.

Although this comparison of welfare states focused exclusively on the European continent, one cannot avoid noticing the similarities between current U.S. social welfare policy and the central themes characterizing changes in European welfare states. Although our policies have been more closely tied to economic interests historically, the perennial liberal/conservative debates that have shaped and reshaped welfare policy in the U.S. appear to be converging toward the center, and in many ways are looking similar to the progression in Europe. It will be interesting to study the impact of the convergence in social welfare policy in Europe on our current desire to draw ideas from the EC, particularly regarding a reform of our workforce training and employment system.

Editor's Note

For those wishing to delve deeper into these issues, please see the following references:

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At the National, State and Local Level

What Is Happening with Welfare Reform in the U.S.?

Editorial Introduction

To provide a context for the following guest review regarding a Washington State welfare reform project which gained considerable national attention, we quote selectively from a 1994 Congressional testimony prepared by Kay Thode, former director of the health and welfare program of the Seattle Urban League, and currently a guest reviewer for *Evaluation Forum.*

Washington's poverty rate increased faster than the national rate between 1980 and 1990 — from 9.7% to 10.9%. The largest increases were in eastern Washington and rural western counties. Poverty is high among young children: 17% for children under four years old; 16.4% for children age 5. However, the highest age-specific poverty is among people ages eighteen to twenty-four, 20% of whom are poor.

Several factors play a major role in the increase in Washington's poverty rate. These include high unemployment, a loss of high-paying timber and manufacturing jobs, an increase in lower-paying service jobs many of which are part-time, an increase in one-parent households headed by women, and a decline in public assistance payments.

Because of the low grant levels, being on public assistance in Washington likely guarantees that a family will live in dire poverty. Since 1969, the income provided by AFDC has declined dramatically. 184,000 children in Washington depend on AFDC grants for the basics of life. Yet over the past twenty-four years, the amount paid to a four-person household on AFDC declined from 117% of poverty level to 54%. Grants are only 47% of what the state calculates it costs to buy basic necessities. This low level not only tends to deprive families on assistance but makes thousands of needy families ineligible for any assistance. Declining grant levels have reflected the view that too much is being spent on welfare, that people stay too long in the system and need to be pushed off, that those on welfare are not contributing to society, and that welfare recipients receive too much. The facts speak otherwise. Only 5.1% of Washington's population received AFDC in 1990, but 10.9% of the state's population is officially poor. Only 2.7% to 3.1% of state general funds were spent on AFDC since 1988. Nationally, less than one percent of the federal budget goes to AFDC.

The consequences of low welfare grants are seen in hunger, homelessness, poor health, poor school performance, emotional disturbance and family break-up, as indicated by the following:

- The Washington Children's Health Research and Policy Group recently found in a survey of ninety experts on children's issues that the most critical problem children face in the state is poverty. Almost all the problems experts identified correlate strongly with poverty status: substance abuse, low birth-weight babies, high infant mortality, lack of access to health care, poor nutrition and homelessness.
- More than 35% of the homeless seeking shelter in King County, which includes Seattle, are AFDC recipients.
- Over 40% of AFDC recipients are suffering from hunger, and 90% are at risk of hunger, according to the Governor's Task Force on Hunger.
- Children in hungry families are more likely to have specific health problems which affect their school performance.
- 71% of a random sample of children served by the Department of Social and Health Services programs are severely emotionally disturbed. A disproportionate percentage of these children live in AFDC families.
- The drastic decline in grants coupled with the elimination of casework services to AFDC families has been accompanied by a steady increase in caseloads for Children's Protective Services. The number of children's cases opened rose from 691 in April, 1968 to 5,587 in April,1990 — a 709% increase.
- AFDC families are overrepresented in Children's Protective Services' caseloads, especially for child neglect, defined as not providing adequate nutritious food, adequate clothing, safe and sanitary housing, and other basic life qualities.

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Washington State's Family Independence Program: An Economic Interpretation of its Impact*

A Guest Review by
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Introduction

The Family Independence Program (FIP) was Washington State's landmark welfare reform initiative in the 1980s. FIP was to help "those who are discouraged to seek self-sufficiency through work, education, or training."[1]

FIP was an alternative to Washington's existing AFDC work/welfare program, the Work Employment and Opportunities Program (WEOP). Exhibit 1 provides a precis of this and the subsequent national Job Opportunities and Basic Skills Program (JOBS). WEOP was replaced by the JOBS program funded under the federal Family Support Act (FSA) passed in 1988, which became operational in October 1990. As Exhibit 1 shows, FIP anticipated many features of the FSA. The FSA was similar to FIP in terms of its targeting provisions, its training and education program and other incentives meant to encourage welfare clients to work.

Designed by the leadership of Washington's Department of Social and Health Services, FIP received partial federal funding as a multi-year waiver project under the U.S. Department of Health and Human Services. Its status as a demonstration project required that: 1) it be budget neutral; that is, not cost taxpayers anymore than the existing AFDC program and 2), its implementation, labor market and welfare program impacts, and costs and benefits be evaluated rigorously. The Urban Institute in Washington, D.C. was selected to evaluate FIP, based on a plan to conduct a *process analysis* of implementation and operation; a *net impact evaluation* of program effects on employment, earnings and welfare experience; and a *cost-benefit analysis*.

Positive Expectations

FIP was launched with considerable positive expectations for its impact on the well-being of welfare clients, the Department of Social and Human Services, and the state. Its designers viewed it as a potential *national* model. However, the unique features of FIP made it an unusually ambitious undertaking. It was a challenge for the evaluators as well, since no mandatory random assignment to the program was allowed and the basic analysis was conducted entirely with administrative records to test the feasibility of their use in a major program evaluation.

Summary of Net Impacts

Most of the positive expectations for FIP did not materialize.

- There was little, if any, increase in enrollment in education or training.
- There were zero or negative changes in employment and earnings.[2]
- A large and statistically significant increase occurred in welfare participation and monthly welfare grants.[3]

Exhibit 2 presents an overview of net effects. *These are surprising results.* Historically, subsidized employment and training programs serving disadvantaged women typically have led to *positive* employment and earnings impacts. This is so, for example, with the work/welfare experiments studied by the Manpower Demonstration Research Corporation in the 1980s and for Title II-A programs of the Job Training Partnership Act.[4]

The FIP Design and the Expected Effect of Design Elements

FIP produced a set of program changes relative to the AFDC program which had a variety of potential positive and negative effects. These, therefore, had the potential to cancel each other's effects.

1. *Financial incentives in the form of monthly cash bonuses were given to persons who undertook training or education or who went to work.*

   Expected effect: Education and training enrollment levels may increase.[5] Also, a person may choose longer duration and more expensive training. Initially, this may keep one enrolled in FIP longer. As for employment, a person may enter the labor force sooner to seek employment, since such bonuses would serve to compensate for the fixed costs of work, such as child care costs.

2. *Employability enhancement services, including individualized assessments and referrals.*

   Expected effect: The identification of appropriate services may be improved and there may be an improved match with service providers. Once services are received and training and education are completed, employment and earnings may increase and welfare dependency decline.

3. *Supportive services.* Child care was subsidized at 90% of the market rate while in training, education, or at work. Medicaid benefits were maintained for one year after leaving FIP and assuming a job.

   Expected effect: Subsidized child care reduces the fixed costs of schooling and work, and should lead to an increase in both work and schooling — in terms of the number of persons involved and their duration in either activity. Extended Medicaid benefits are an implicit increase in a clients' take-home wage. This is essentially a

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***Author's Note:** This article is based on The Urban Institute's series of studies of the Family Independence Program. Greg Weeks, of the Washington State Institute for Public Policy, helped to improve this summary considerably.

Exhibit 1 • Major Components of the FIP, WEOP and JOBS Programs

Component	FIP[1]	WEOP	JOBS
Operational Date	Began July 1988	Was in operation until October 1990.	Began October 1990.
Target Groups	Entire AFDC caseload, with focus on pregnant or parenting teens.	AFDC clients with children age six or older.	AFDC clients with children three or older, with focus on long-term welfare recipients and pregnant or parenting teens.
Participation Mandate	Voluntary	Mandatory for those with children six or older; others can volunteer.[2]	*Officially* mandatory for those with children age three or older, but essentially voluntary due to low participation rate requirements.
Services			
▪ Job search, job placement, education and training	Wide variety of services with an emphasis on job search assistance, referral to education, training, and placement.	Focus on job search assistance and placement with limited referral to education beyond basic skills, or to training.	Similar to FIP
▪ Child Care	Assistance while in education and/or training. Assistance while working if still on a welfare grant. Assistance for one year following cancellation of a grant due to earnings in employment.	Limited child care during education and/or training. Earned income disregard while in employment and still receiving a grant.	Similar to FIP
▪ Medical	Medicaid available as supplement to welfare grant; also available for one year after grant cancellation due to earnings in employment.	Medicaid available only while receiving a grant.	Similar to FIP
Incentives for Work, and for Education and Training			
▪ Financial	Financial incentives or bonuses for participation in approved education, training, and work activities.	None	None
▪ Food Assistance	Conversion of Food Stamps to cash.	Standard Food Stamp Program benefits	Standard Food Stamp Program benefits.

Source: This table is based substantially on Long and Wissoker, 1993, Table II.1, *Selected Characteristics of FIP, AFDC/WEOP, and AFDC/JOBS*, page 6.

[1] In addition to the features summarized here, FIP established a highly simplified formal enrollment procedure that involved significant reduction of paperwork and the volume of documents required to be presented by the prospective welfare client. Also, FIP couched this process in a much more client-service-oriented relationship between the prospective client and the client's case coordinator.

[2] Exempt welfare recipients included those Ill, incapacitated or of advanced age; those caring for an ill or incapacitated family member; those employed at least 30 hours per week as well as full-time students; and, those residing where no program is available. During 1988 and 1989, mandatory participation was not enforced for WEOP due to a court-ordered moratorium on sanctions. Thus, non-FIP welfare participants were also offered the services of a program that was essentially voluntary.

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lump sum wage bonus in the form of a cut in taxes on wages. This may increase work incentives, inducing more persons to return to work sooner.

4. *Special* emphasis *on serving pregnant and parenting teenagers.*

   Expected effect: Other things being equal, if this is a hard-to-serve group with low prognosis for success in training and employment, then net program impacts on education, training, employment and welfare dependency reduction may worsen compared to individuals in the study's comparison group.

5. *A consolidated and streamlined administrative system.* The key features were: 1) simplified FIP enrollment procedures that reduced the stigma of enrolling in FIP; 2) the cash-out of Food Stamp benefits; and 3) other liberalizations in the benefit award system that increased monthly benefits to FIP participants relative to the comparison group.

   Expected effect: Such simplified procedures lower the non-monetary costs of enrolling in FIP and may induce greater participation in welfare. The reduction of stigma may increase welfare enrollment and persons may stay on welfare longer.

6. *A more client and family-oriented service delivery system.*

   Expected effect: Welfare enrollment may increase in the long run. An improved mix of counseling, education, training and job search services may be delivered which may reduce long term dependency and increase employment and earnings.

7. *Individualized case coordination.* This included a change from a (technically) mandatory program to a voluntary program. Specifically, there was an emphasis on voluntary participation in FIP, which included telling *some* clients that "you don't have to do anything if you don't want to".[6] This means that voluntary participation in the program per se could become defined as *voluntary participation in activities designed to move one into education, training, and employment.*

   Expected effect: Enrollments in FIP may increase, but with no necessary increase in activities such as job search or education that might improve economic independence. Also, an increase in expectations concerning jobs and wage rates may occur. Such an increase can result in persons holding out for better jobs than they can realistically expect to obtain. This may retard exit from welfare.

Research Design

What was the overall net effect of these different program components?[7] The net impact evaluation was designed to determine the net effects of FIP relative to its broadly stated goals. This test included a comparison group of non-FIP (WEOP/JOBS) *participants* whose educational, training, welfare and employment experiences were compared with those of a cohort of FIP participants over a 36-month period.

However, the comparison group was not statistically similar to the FIP participants, nor was it possible to utilize administrative data and state-of-the-art statistical analysis to fully overcome the differences between FIP and comparison group participants. Also, members of the comparison group had access to and/or were receiving services available through WEOP and JOBS, which, after October 1990, became very similar to FIP in terms of the educational, training and job search services offered. In this situation, if the design and administration of the comparison program is superior to that of the FIP program, *it is possible for there to be negative program impacts for FIP.* That is, society, taxpayers, and the FIP participants can be made relatively worse off compared to WEOP/JOBS participants.

The 'Difference of Differences' Comparison.

In the FIP evaluation, the average experience of the participants in a given FIP site is compared against the average experience of the participants in the matched non-FIP comparison sites. One particular problem with the research design bears mentioning. The analysts developed a 'before-after/difference of differences' estimation model that was then further adjusted by multiple regression analysis. Once the matched treatment and control sites were selected, the basepoint reference for measuring work/welfare experience in a given site was the group of participants receiving benefits in that site at a given time prior to FIP. With an appropriate further statistical adjustment, for each site the difference in the experience of that pre-FIP cohort in the FIP and non-FIP sites was used to adjust the comparison of the experience of the FIP and non-FIP cohorts over a 36 month period. In simple terms, the test statistic looks as follows:

$$\textbf{Any Net Benefit (or Effect)} = [(T_1^b - T_i^a) - (C_1^b - C_i^a)]$$

Where:

T is the FIP participant (site).

C is the comparison non-FIP participant (site).

b is the cohort prior to the beginning of FIP.

a is the cohort after the beginning of FIP.

a and **b** are not the same cohorts.

1 is the time period prior to FIP operation.

i is any time period after the beginning of FIP.

The key to understanding this model lies in the fact that the ***b** and **a** cohorts are not the same people statistically.* Furthermore, the two cohorts may become even more different over time due to the FIP program itself. Yet, crucial to making valid inferences about a program's net effects is the assumption that the FIP **a** and **b** cohorts are statistically equivalent and remain so over time except that cohort **a** gets the treatment (FIP services), while cohort **b**

Exhibit 2 ▪ Family Independence Program: Summary of 36 Month Net Program Impacts

Outcome	Quarter after Program Start					
	2nd	4th	6th	8th	10th	12th
New Entrants, One-Parent Cases						
Program Inputs						
Percentage in Job Search	-1.1	-0.3	-0.4	0.4	—	—
Percentage in Education	1.6*	0.8	1.2*	0.6	—	—
Percentage in Training	-0.1	-0.1	0.2	-0.6	—	—
Program Outputs						
Percentage Employed	-4.4*	-2.1	-1.4	-0.8	-0.3	-1.9
Average Monthly Earnings ($)	-36.1*	-42.0*	-21.7	-29.0	-32.6	-31.3
Percentage on Welfare	7.4@	10.3@	7.5@	5.7@	6.6@	6.3@
Average Monthly Welfare Grant	46.1**	51.0@	38.7@	32.6@	33.7@	32.4@
On-going Participants, One-Parent Cases						
Program Inputs						
Percentage in Job Search	0.2	0.0	-0.8**	0.9@	—	—
Percentage in Education	0.4	1.6**	0.5	0.2	—	—
Percentage in Training	-0.4	-1.5**	-0.5	0.4	—	—
Program Outputs						
Percentage Employed	-0.1	-0.1	-1.14	-1.1	-0.4	-1.2
Average Monthly Earnings ($)	-7.6	-11.9	-18.8	-29.6*	-13.5	-19.1
Percentage on Welfare	1.0	2.8@	4.8@	6.9@	4.9@	5.4@
Average Monthly Welfare Grant	9.3**	17.1@	21.9@	31.8@	21.2@	25.2@
Women in Two-Parent Cases						
Program Inputs						
Percentage in Job Search	—	—	-	—	—	—
Percentage in Education	0.5	0.6	-1.8*	0.6	—	—
Percentage in Training	-4.5@	-2.0	-0.7	-6.4@	—	—
Program Outputs						
Percentage Employed	1.2	-0.4	1.0	1.6	2.1	-3.8
Average Monthly Earnings ($)	13.3	18.6	13.8	-15.0	-17.5	-17.0
Percentage on Welfare	4.0	10.9@	13.8@	13.8@	12.7@	12.1@
Average Monthly Welfare Grant	19.3*	34.4@	32.9@	43.4@	43.4@	42.3@
Men in Two-Parent Cases						
Program Inputs						
Percentage in Job Search	-7.9@	-4.6@	3.7@	1.3*	—	—
Percentage in Education	0.8	0.6	0.9	1.3*	—	—
Percentage in Training	1.2	-1.5	1.2	1.5*	—	—
Program Outputs						
Percentage Employed	-8.9**	-11.0@	-11.9@	-13.2@	-9.3**	-9.2@
Average Monthly Earnings ($)	-128.3@	-120.3@	-214.7@	-157.8@	-138.1**	-151.3**
Percentage on Welfare	2.7	10.5@	14.2@	16.3@	13.1@	13.7@
Average Monthly Welfare Grant	16.2	33.8@	39.1@	51.4@	53.3@	54.4@

Source: Long and Wissoker, 1993, Tables IV.2, IV.3, IV.4, IV.5, V.2, V.4, V.6.

Notes:
* = significant at the .10 level, two-tailed test.
** = significant at the .05 level, two-tailed test.
@ = significant at the .01 level, two-tailed test.

does not. The assumption with respect to the comparison sites and participants is the same—that **a** and **b** are statistically equivalent at the outset and remain so over time. These are crucial assumptions, as the Urban Institute analysts state. *If these assumptions do not hold, then the measures of net impact are suspect.*

It is not likely that these assumptions held for the net impact evaluation or that the available data were such that statistical equivalence was achieved through statistical adjustment. The reason is that the most important dimensions on which the different groups vary over time are *unmeasurable* — for example, motivation and taste for market work or training. And, indeed, FIP was operated in such a way as to enhance such unmeasurable differences over time. For example, in FIP two-parent families no longer had to show past work experience to enroll. This downgrades the *employability* of the FIP participants relative to the pre-FIP group, and the pre-non-FIP and post-non-FIP groups.

Other Possible Reasons for Comparability Problems

The reduction of stigma and the significant reduction in the formal enrollment process could have further changed the FIP group. The greater generosity of the FIP program could also have induced changes in the population, and therefore, behavioral make-up of FIP. Next, the explicit targeting of services to the pregnant or parenting teenagers, if the same did not happen in the comparison sites, would have resulted in biased measures of net impact. Finally, by 24 months after program start about eight percent of the individuals in the comparison sites had crossed over to the FIP sites. These comparability problems are very serious.

The situation is worsened because we do not know how serious these problems were or how successful the analysts were in adjusting for the sample differences caused by these problems. *Thus, there remains a reasonable doubt that at least some of the net impact findings do not represent the true effect of FIP.*

What Appeared to Happen?

Although there were significant statistical problems to overcome related to the design and administration of FIP, *it is possible that the net direction of the effects measured by the Urban Institute was the true direction.*

- Increasing the direct money benefits of the program and making it less onerous to join the program could result in higher predicted enrollment and longer enrollment duration. *This is actually what happened.*
- Concomitant reduced enrollment in education and training was a problem. Increased enrollment in FIP (ignoring program costs for the moment) is not necessarily a negative in the long run *if*: 1) clients are properly counseled; 2) they are promptly given job search assistance or referred to training and education that is realistically related to labor market opportunities; and 3), they are placed directly into jobs once they are deemed job ready. However, the *tone* of the referral process changed under FIP, apparently inducing fewer clients to take advantage of the services offered. Thus, there was no net increase in education or training enrollments for FIP relative to WEOP/JOBS.

Other elements of program operation may have contributed to this result as well, though their exact quantitative impact cannot be measured. These were:

1. *Too little difference in the nature of education and training activities between FIP and those available under the existing programs,* thus reducing the incentive to enroll in such activities under FIP. This problem worsened over time.
2. *Caseload growth in the face of no staff increase,* resulting in reduced time spent by case coordinators with FIP clients.
3. *The pressure of 'cost neutrality' requirements* which in turn cut down the quality and quantity of the training and education offered.
4. *The apparent failure of a plurality of FIP clients to identify and understand the program incentives available to them* as rewards for pursuing actions that might reduce their welfare dependency.
5. *Reduced employment and earnings.* The failure of FIP cost neutrality led to a change in emphasis in FIP from education and training to more immediate job placement. Why, then, did employment fail to increase? Again, the tone of the program may have been partly responsible, but other factors were also important.
6. *An apparent weak link between the education and training that was selected and received and conditions in local labor markets.* Persons must be counseled to take training and education that most suits their talents *and* the training and education must be relevant to available jobs.
7. *The lack of emphasis on job development activitives.* There was a pro forma emphasis on job placements, but not on job development. This is a deadly combination when linked with the lack of incentive or compulsion to find a job.
8. *A problem with case coordinators' training.* The training of case coordinators may have led to their raising the wage expectations of FIP clients. In the face of less attractive job and wage opportunities, such increased expectations would inhibit the acceptance of employment.

Some Conclusions

There are significant data and statistical problems in estimating the net impact of the FIP program relative to the WEOP and the JOBS programs. While contributing to the increased short-run well-being of clients, it is likely that

FIP did not foster the long-run well-being of clients, taxpayers, and society as a whole. The fault appears related to program design and to certain accidents of execution of that design.

The program design may have been too complex. Some program treatments and management practices operated at cross purposes. Increased money incentives were offered to encourage enrollment in FIP while the stigma and other costs of welfare dependency were reduced. This would predict increased welfare enrollment and longer duration on welfare. *Such happened.*

In terms of execution, *voluntary enrollment in FIP apparently was translated, to some degree at least, into voluntary enrollment into employment and training programs and job search.* Another fatal flaw, a problem facing subsidized employment and training programs for 30 years, was the lack of strong links between the education and training of clients and available jobs. In this context, raising client job expectations will compound the damage.

Many things motivate people to behave in different ways, but welfare clients, like anyone else, respond to incentives and and pursue their self-interest. Programs that fail to recognize this will not be successful in inducing clients to undertake actions that will reduce their dependency on welfare. Policy makers considering new national welfare reform initiatives should give the very competant efforts to evaluate FIP serious thought. This applies to the design of programs; their appropriate implementation; and the research design within which well-trained social researchers are limited by political and organizational agendas in the way they can evaluate program effects.

Notes

[1] See The Urban Institute's *A Plan for the Implementation of the Family Independence Program,* (1987), page 7.

[2] A summary document reporting the net outcomes of FIP states that "Employment and earnings for FIP clients were not significantly different from those for AFDC clients" (State of Washington, Legislative Budget Committee, "Summary of Findings from Mandated FIP Evaluation," no date). However, a review of the detailed findings shows that employment and earnings for men in two-parent cases are lower for FIP than for AFDC. See Long and Wissoker (1993), in the bibliography.

[3] See Nightingale, et al. (1993), Chapter VIII, particularly page 127. This review is based exclusively on the reports of the Urban Institute listed in the bibliography. However, at times I differ in the interpretations of these overall results. One key difference is the assertion that positive lessons were learned from FIP in terms of creating a more client-centered office culture. Another difference is the determination that it is possible to target services to particular groups of interest. With respect to the first assertion, the practical results speak for themselves, *if* one has full confidence in the evaluation design. This change may have led to increased retention on welfare. As for the second finding on targeting, one wonders why this seems so remarkable.

[4] See the various reports of *The National JTPA Study,* conducted by Abt Associates Inc.

[5] To clarify why the FIP design and administration may be the key to the consistent, long-term, negative results, we make several assumptions about the behavior of participants. *First,* they will attempt to maximize the benefits they receive for a given set of monetary and non-monetary costs they experience. *Second,* the program characteristics set in motion two opposing forces. First, as net monetary program benefits increase, there is an income effect that translates into less incentive to work for wages or to pursue education or training. Greater income also allows a person to search longer for a good job and hold out for higher wages. Next, as the welfare tax against wages falls, due, for instance, to extending Medicaid benefits even while the recipient is working, there is a substitution effect as net wages rise that causes a person to work more. These forces and assumptions explain to a large degree why FIP, as designed and executed, could have had net negative impacts, though the counteracting pulls of the income and substitution effects were not explicitly estimated.

[6] Long, et al. (1993), page 122. The problem here is that there is no clear quantification of the number of FIP participants who received this message of voluntary participation in the services of FIP—either from staff or other clients—or the *intensity* with which this message was delivered. Thus, it is not clear how important this administrative phenomenon is in explaining the overall negative effects.

[7] Note that the reliance on administrative data precluded the ability to estimate the separate effects of the different components. The program treatments are evaluated as a "black box."

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Please see Nightingale, et al. (1993) for a complete bibliography of the 13 studies prepared by The Urban Institute on the Family Independence Program.

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State Welfare Reform Efforts Within the JOBS Framework

In the Features Section, evaluations of a number of 1980s' work/welfare models were summarized and commented on. This article provides a brief overview of evaluations of reforms created by states within the design framework of the Job Opportunities and Basic Skills Program (JOBS), which was authorized in 1988 under the Family Support Act (FSA).

Prior to reviewing studies of new models, we take a look at an early study of JOBS implementation. Then we summarize two major efforts to operate comprehensive JOBS programs — California's GAIN Program and Florida's Project Independence. We end with a short exploration of programs emphasizing education.

A Study of Preliminary JOBS Implementation

In 1990, soon after the deadline for the implementation of JOBS programs throughout the U.S., the Rockefeller Institute of Government initiated a three-year study of JOBS' early implementation in ten representative states. A network of policy analysts and process evaluators using common field instruments interviewed key players in operating JOBS programs, and reported the results within a common format.

The first wave of research examined state decisions regarding program designs, management policies and practices, and funding arrangements. A second round of research explored the efforts of local agencies and front-line staff to implement programs. Three kinds of local sites were selected for study within each of the ten states: a metropolitan area, a mid-sized city, and a small or rural community.

Program Designs

The FSA broadened the range of services states were required to offer beyond those authorized in the previous Work Incentive Program (WIN). Education and skills training were given greater emphasis, much like the original WIN Program prior to its revision in 1971. This necessitated significant decisions about the mix and sequence of services to be provided, and the development of separate 'service tracks' for clients with different profiles. States tended to consider three general ideal-type models for implementing JOBS. All three included an assessment of the client's needs and abilities, but varied in the degree of client choice and the balance between education/training and employment services:

The 'Choice' Model: This model allows an individual to choose the mix and sequence of services irrespective of his or her level of education and skills.

The 'Job Readiness Screening' Model: This permits staff to refer clients to one of two different service strategies based on the clients' education, training and employment history: one track for job-ready clients (job search and placement services), and another for less employable clients (education and/or training prior to job search and placement services).

The 'Educational Screening' Model: This model encourages clients to first improve their educational skills and complete a high school education before receiving additional services. Only clients who reject this sequence or who have already achieved an acceptable level of educational attainment are referred to training or employment.

In the early stages of JOBS implementation, states struggled to adapt such prototypes to their particular needs, interests and conditions.

Building Program Capacity

The researchers found that states faced challenges in *building new interagency linkages, deciding on the mode and organizational arrangements for service delivery,* and *securing funding.* Most states moved to establish stronger relationships with education, training and employment providers. Most divided service delivery responsibilities efficiently between the state welfare agency and its local offices and other service providers, giving these other organizations a major role in operating the program.

Many states had difficulty securing state funding for JOBS in the midst of fiscal constraints and state educational priorities, and often relied on leveraging JTPA resources. States, and areas within states, varied in how comprehensive their services were, and what proportion of their AFDC caseloads received them. Many emphasized human capital investment over immediate employment. In those stressing the latter, job search was the most prominent service, as in WIN.

Participation Rates

In this early phase, the research team found states failing to make strong efforts to enforce the federal participation mandate. In some states, all JOBS clients were volunteers. Few states were sanctioning clients for failure to participate.

Other Conclusions from the Study

The researchers felt JOBS was well-designed even though weakly implemented in its beginning phase. Clearly, however, JOBS was increasing participation in education, training and employment services. *A lack of funding appeared to be the largest impediment to successful implementation.* Oregon was the only state to draw down its full share of federal JOBS funds in1991, and only three states did so in 1992. Even with the full federal share, it appeared that many states would not be able to reach and maintain the desired participation rates. One of the most optimistic findings was the widespread willingness of community service providers to offer services to JOBS clients if funding were available to cover their cost.

Comprehensive State JOBS Programs Targeted to Mandatory Clients

Two large-scale state programs are profiled here: California's Greater Avenues for Independence Program (GAIN) and Florida's Project Independence. Both seek to incorporate elements of the three prototype program models profiled in the Rockefeller Institute study.

The GAIN Program

GAIN was authorized by the state legislature in 1985. It subsequently became California's version of the federal JOBS Program — and it is now one of the largest and most ambitious JOBS programs in the U.S. In1992 it represented approximately twelve percent of the federal government's entire JOBS budget. As part of the legislation, California also authorized an experimental net impact evaluation of GAIN, which is being conducted by the Manpower Demonstration Research Corporation (MDRC). A series of reports have now been produced on GAIN's implementation and effects, with more to come. The most recent report details impacts for clients over a two year follow-up period, with data collection having begun in 1991.

The impact results apply to a study of 33,000 *applicants* for and *recipients* of AFDC whose participation in GAIN was *mandatory:* single heads of families with children age six and older, and heads of two-parent households. The study was carried out in six counties with a wide variety of local conditions, representing more than one-third of the state's GAIN caseload and more than one-half of its larger AFDC population.

Characteristics of the GAIN Research Sample

Four of the six counties in the study were providing GAIN services to all AFDC registrants who were mandatory for JOBS. The other two focused exclusively on long-term welfare recipients. Welfare recipients who volunteered for GAIN prior to being requested to apply were accepted into the study sample if they would later be defined as mandatory for GAIN and attended a GAIN orientation session.

GAIN's Major Interventions

The program involves comprehensive basic education and literacy, occupational training, and employment services in a three-track system. Clients passing a literacy test and possessing a high school diploma or GED usually must participate in job search. Others may choose job search as a first service, but if they are not able to obtain employment they are required to receive basic education. Those already participating in education or training programs prior to enrollment in GAIN may continue if these interventions meet GAIN criteria: the services must be capable of completion within two years, and must lead to the acquisition of skills in demand occupations in local labor markets. Participants in any of the three tracks who ultimately fail to find employment receive an *employability assessment* as a basis for referral to additional services — i.e. skills training, community or technical college occupational education, on-the-job training, or unpaid work experience. Grants are reduced as a sanction for noncompliance with GAIN participation.

Methodological Issues

The largest and most detailed MDRC report on implementation reflected conditions one year into the study and focused on GAIN participation patterns eleven months following clients' attendance of a GAIN orientation. GAIN clients were randomly assigned to an experimental (GAIN-treated) group and a control (non-GAIN-treated) group following their referral to the program and attendance at an orientation session. Overall, a little more than half of the single-parent households who were randomly assigned to the experimental group in five of the six counties actually engaged in a GAIN job search, education or training activity following random assignment (i.e. were "GAIN-treated"). Some clients were not required to participate over the period of the study — those who had obtained a full-time job, those who had left welfare for other reasons, those who were officially excused from participation due to part-time employment or illness, and those who met other criteria leading to exemption.

Attendance at orientation sessions, involvement in client assessments and appraisals, and initial meetings with case managers were not defined as "participation" in GAIN, and therefore were not considered "treatments" for research purposes. The definition of "participation" was confined to a client's actual engagement in discrete program activities, such as job search and education or training *following* enrollment in and orientation to GAIN. Participation was measured also in terms of the length of engagement in each area of program activity and in the program as a whole. The research team reported impacts for 1) that segment of the experimental group that had actually engaged in GAIN activities (irrespective of whether these activities had been completed) or were continuing employment and training activities begun prior to involvement in GAIN, and 2) the experimental group as a whole. This was very useful in interpreting study results.

Program Implementation: Participation Rates

Participation patterns were studied separately for two subgroups of interest: those determined to need basic education, and those not. The research team broke down the latter subsample into individuals who were: 1) AFDC *applicants,* 2) *short-term* AFDC recipients, and 3) *longer-term* AFDC recipients at the time of their referral to GAIN. Since two counties, including Los Angeles County, enrolled only long-term recipients in GAIN, the researchers limited their comparison across counties to the long-term-recipient segment of the GAIN population.

Participation rates in various GAIN activities proved to be similar across the full research sample, and rates for the full sample and the long-term recipient subsample were quite similar. Also, GAIN participation rates for two-parent families in the experimental group were roughly similar to those for single-parents in the experimental group. However, in Los Angeles County a smaller proportion of two-parent family heads participated in GAIN than was true of single parents, due mainly to part-time employment. And two-parent family heads appeared to be more likely to engage in basic education and participate in English as a Second Language, consistent with their needs assessments.

Based on a survey of GAIN staff in the six study counties, and in-depth interviews with selected staff, other aspects of initial implementation were explored. For example, local implementation varied in terms of the emphasis placed on 1) encouraging GAIN registrants to obtain more education and training, 2) the degree of personalized attention given to registrants, and 3) the extent to which programs relied on the use of sanctions. The variation in local program contexts and environments seemed to be a function of the views administrators held about the most cost-effective ways to carry out the JOBS' participation mandate while increasing recipients' employment and earnings, and reducing their reliance on AFDC. These views then shaped resource allocation decisions.

The influence of local economic conditions was also studied. All of these features of implementation were understood to be affecting initial program impacts. And local-level implementation changed over the study period as GAIN became better established and evolved over time.

Net Impacts Based on a Two-Year Follow-Up Period

In general, the experimental net impact evaluation answered several questions raised by earlier studies of smaller-scale, less intensive and comprehensive work/welfare initiatives:

- It provided evidence that large-scale, complex, multi-activity programs can be implemented successfully in a variety of local environments.
- It showed that programs such as GAIN can change the basic character of AFDC, providing new opportunities and requiring new responsibilities.
- It confirmed that such programs can have significant positive employment and earnings effects, particularly for single parents — and in some cases for long-term recipients — and can reduce welfare costs.

More specifically, in the second follow-up year, and averaged across the six counties, the earnings of members of the experimental group were 24% greater than those of the control group. This represented twice as large a gain as that found at the end of the one-year follow-up period. Welfare costs were reduced by 7%, a reduction 23% greater than in the first year. These differences between experimental and control group members were statistically significant.

For two-parent families, earnings increased by 12% and welfare savings by 7%, impacts similar to the first year. Earlier studies of programs for this group had shown no consistent earnings impacts. Although some of the differences were not statistically significant, the gains for those considered not in need of basic education were generally larger than effects for those considered to need this activity, and larger than those for long-term welfare clients. This was consistent with the longer timeframe for the emergence of effects when basic education precedes other activities. Welfare savings differed less across these groups.

Results varied across the six counties, with one county experiencing earnings gains of 53% and welfare reductions of 17%. Riverside County's more pronounced positive impacts for earnings and welfare savings across all subgroups studied were difficult to explain. The prior characteristics of experimentals did not seem to be different enough to explain the results. But other factors considered were: 1) program directors placed unusually strong emphasis on moving clients into jobs quickly, including lower-paying jobs, even though they did not de-emphasize education and training, 2) the Riverside program had a formal *job development* component, 3) this program involved a unique combination of practices and conditions, including stress on job development and placement, the provision of education and training, and the use of sanctions, and 4) the county's economy was growing faster than in the other sites. A better labor market was clearly not the deciding factor, however, since counties with somewhat similar growth patterns did not have this level of success.

The lack of significant positive effects for one of the other counties was also puzzling. This county placed less emphasis on job placement and sanctioning, while providing highly personalized services — but the combination of influences that might explain the lower level of success was not entirely clear.

The research team suggested that more substantial impacts will likely depend on *expanding participation, providing different mixes and sequences of services, increasing work incentives, expanding child support resources,* and *providing work opportunities.* And they cautioned that *such programs alone cannot be expected to move large numbers of welfare clients out of the welfare system.*

Next Steps in the GAIN Evaluation

Impacts over a longer follow-up period are yet to be estimated. The continuing evaluation will also examine implementation features that may be contributing to the effects. Future reports will be based on a survey of GAIN registrants and other data, in an effort to study the role of implementation features and a wider array of outcomes, including educational attainment and a number of economic and noneconomic outcomes. GAIN's overall costs vs. benefits will also be estimated.

Florida's Project Independence

In the sense that it provides relatively low-cost job placement services to the majority of participants while offering considerable amounts of education and training, Project Independence is generally similar to California's GAIN Program. Like GAIN, it involves a large-scale experimental evaluation. This has been made possible through state and federal funds and a grant from The Ford Foundation. Project Independence has therefore provided another social laboratory for studying JOBS' effectiveness.

Operated since 1987, the program is Florida's statewide work/welfare strategy under the FSA. The evaluation is being conducted by MDRC in nine counties which were randomly selected from among the twenty-five with the largest AFDC caseloads — that is, 18,000 single parents who were mandatory for JOBS (had children age three or older). The Florida evaluation is the first study reporting findings for single parents with *preschool* children. However, it is understood that the evaluation report summarized here is the first report, and that subsequent reports will be more definitive in terms of net impact results.

Participation Rates

The participation rate in Project Independence was substantial — 77% of all mandatory clients attended a project orientation; 56% of those attending later engaged in a program activity; of the latter, 42% engaged in a job search activity and approximately 21% took part in an educational or training program. Although general participation rates were high, however, single parents with preschool children participated less than others, and, on average, individuals engaged in program activities over a short period, which reflects the greater participation in job search. Those in educational activities remained in them for an average of three months. Those in training programs or community or technical college occupational programs remained in them an average of six and one-half months. The full effects of education and training would, therefore, not have been expected to emerge in this first-phase report.

Maintaining satisfactory participation rates as the project evolved left uncertainties. Typically, caseloads per case manager grew to more than two hundred clients during the first year study period. Only about thirty percent of these case managers monitored their caseloads closely in terms of program participation for sanctioning purposes and for resolving emerging problems.

Net Impacts in the Early Phase

The program produced first-year earnings gains of $157/person for individuals referred to the program (a 7% gain). This estimate included individuals who did not work, worked part-time, or worked less than year-round. Earnings gains were greatest for 1) individuals defined as 'job ready' and subsequently referred to job search as their first program activity, and 2) single parents whose children were *school age or older*. Impacts for the latter group were similar to those for the same group in GAIN. For single parents with *preschool* children, there were no statistically significant earnings gains.

Welfare payments were reduced, on average, by nearly 7%. Savings for single parents with *school-age children* were at 11% during the first year. In contrast, welfare savings for single parents with *preschool* children were at 5%. For those clients who had received AFDC two years or more prior to involvement with Project Independence, there was a large, statistically significant increase in earnings and a reduction in AFDC payments. However, there were no positive earnings impacts for first-time applicants and recipients who had received AFDC less than two years, even though there were limited welfare savings for these two groups. Earnings gains and welfare savings occurred across the counties studies. The differences seemed related to programs' administrative structures, service emphases, relationships with local service providers and employers, and labor market conditions. However, the research team cautioned readers to wait for the final evaluation report, which would better capture the effects of education and training interventions.

Other Insights from the Study

Both staff and clients appeared to view the project positively. More than half of its clients rated the degree to which staff were helpful in dealing with barriers to participation and enhancing their ability to obtain employment as "very high." Two-thirds of the staff felt that program services were genuinely benefiting clients. Eighty-one percent of clients thought it was 'fair' to impose financial sanctions for noncompliance. Approximately 19% of those with a child twelve or younger who attended a project orientation session had received subsidized child care at least once during the initial study period. Most were satisfied with their child care arrangements. *On the other hand, child care problems appeared to have interfered with the participation of those with pre-school children.*

Research Design

Random assignment occurred at welfare offices *after* AFDC application and recipients had been defined as mandatory for Project Independence participation, and *before* they were referred to and had attended the project's orientation session. This assured researchers that for all practical purposes the effects of the projects' 'treatments' could be captured in the experimental group, but it did not assure them that all 'experimentals' would have actually engaged in the project's activities (i.e. would have *received* its 'treatments'). This meant that average impacts likely understated the value of the program. This qualification raises a fundamental question in experimental studies. Critical aspects in terms of interpreting results are the point at which random assignment occurs and the extent to which the experimental group is actually exposed to program interventions.

Comparison of Results with Other Evaluations of JOBS' Strategies

As mentioned, Project Independence's impact on first year earnings for single parents with school-age children were similar to GAIN's earnings impacts although its impact was weaker in terms of welfare savings. The differences were likely related to differences in program models, and the research designs and sampling strategies used by the evaluators:

- **Random assignment:** In GAIN, random assignment occurred *following project orientation;* in Independence it took place *at the point of application to AFDC* or assessment of continuing eligibility. Therefore the Independence study sample included a higher proportion of individuals who ultimately were not referred to the state's version of JOBS and did not receive information about it.

- **Targeting of services:** Independence emphasized short-term job search-oriented services over education and training; GAIN emphasized basic education.
- **Grant levels and economic environments:** The two projects were dealing with different opportunity structures and supports.

The importance of the similarities in net effects, however, cannot be ignored. Both the replication of *generally* similar program models and experimental evaluation approaches lends great credence to the effectiveness of such large-scale programs in producing significant earnings gains and welfare savings.

Work/Welfare Programs Incorporating Education

In *Linking Welfare and Education,* Edward Pauly and colleagues draw four major lessons from a study of new work/welfare programs in California, Florida, Ohio, Oklahoma and Wisconsin:

- Education programs directed to welfare clients — both youth and adults — have grown substantially in recent years and this growth is likely to continue due to the consensus among welfare experts that education is a key ingredient in increasing economic self-sufficiency.
- Historically, education and welfare programs have had different organizational missions and goals, funding arrangements, targeting priorities, management information systems, and incentives to clients to take advantage of their services. Therefore, building linkages between education and welfare institutions has been difficult.
- Interagency negotiation and collaboration across education and welfare 'territories' are essential in reducing barriers to the incorporation of education within welfare programs and evaluating the impact of educational interventions.
- Program strategies that encourage and increase the school enrollment and attendance of welfare clients who have not attained basic education proficiencies are critical features of efforts to link education with other services provided by work/welfare reforms.

Based on interviews with program staff in five states, the researchers gained these insights and recommendations:

- Little attention was being given to determining the *quality* of educational programs under JOBS.
- Adaptations to traditional educational programs must be made in order to respond to the different characteristics and needs of the welfare population compared to the usual student population: their lower average motivation and achievement; their higher incidence of personal and health problems; their greater need for support services; and the fact that their participation in educational programs is frequently not fully voluntary.
- New strategies for increasing consistent attendance on the part of welfare clients in educational programs are needed.
- Planning for the inclusion of welfare clients in educational programs, in terms of estimating the number of new slots needed, has been difficult, which often translates to reduced participation.
- Welfare and employment agencies must cope with and adapt to the range of different educational providers operating within communities, such as school districts, community and technical colleges, community-based organizations and public E&T programs.
- Program operators face a special challenge regarding clients who have entered educational programs prior to JOBS participation, in terms of assessing the appropriateness of those prior choices, and recommending other alternatives that may better fit clients' needs and interests and local labor market opportunities.
- Judging 'satisfactory progress' in educational programs is problematic.
- Too little attention is paid to linking job search and placement services *to* educational programs.
- Funding issues influence the capacity and willingness of educational providers to accomodate the needs of welfare clients and to collaborate with welfare and employment agencies.

The states and local communities examined in the study provided interesting and useful ideas for improving inter-institutional linkages, such as:

1. Admitting welfare clients into existing programs in which they have not been incorporated traditionally, such as Job Corps and Carl Perkins single-parent programs.
2. Creating one-stop single-site welfare-education provision to JOBS clients.
3. Developing new management information systems that link data across welfare and education programs.
4. Welding 'dropout recovery' to participation in alternative schools.
5. Cross-training and reallocating responsibility across case managers and other staff involved in AFDC and JOBS.
6. Creating incentives to increase clients' attendance in educational programs.
7. Using JOBS funds to hire community-based organizations to provide support services.

8. Developing innovative computer-assisted basic education classes in English as a Second Language, GED and Adult Basic Education.
9. Establishing mentoring programs.
10. Providing state matching funds for creative demonstration projects.

Some Conclusions

While a very selective overview, the evaluations summarized here reveal both the difficulties in moving large numbers of welfare clients out of the welfare system and into mainstream retentive and family-sustaining jobs, and the importance of producing incremental though significant gains in earnings and welfare savings in current programs. Comprehensive, multiple-track, high-participation education, training and employment efforts appear to generate the most benefits, particularly for single mothers with school age children who now predominate in the welfare system. Tying education more closely to anti-poverty strategies also seems to be critical. But the American penchant for decentralizing anti-poverty and job training strategies leads to so much state and local diversity that it is very difficult to draw conclusions about what program approaches really work best for different segments of the poverty population in different program environments. All the report cards are not yet in. And this acts as an inscrutable impediment to the development of *a national poverty policy.*

Editor's Note

For more information on the studies summarized above, and other evaluatios of JOBS programs, please see the following in order of their publication date:

The Minority Female Single Parent Demonstration: Process Analysis of Program Operations. Princeton, NJ: Mathematica Policy Research, Inc., 1988.

Riccio, J. and S. Freedman. *GAIN: Early Implementation Experiences and Lessons.* New York, NY: MDRC, 1989.

Virginia's Reducing Dependency Through Training Program. State of VA: Governor's Employment and Training Department, 1990.

Guy, C., F. Doolittle, and B. Fink. *Self-Employment for Welfare Clients: Implementation of the SEID Program.* MDRC, 1991.

North Carolina JOBS Evaluation: Study of Twelve County Programs. University of NC: Human Services Research and Design Laboratory, 1992.

Auspos, P. and K. Sherwood. *Assessing JOBS Participants.* MDRC, 1992.

Pauly, E., D. Long and K. Martinson. *Linking Welfare and Education: A Study of New Programs in Five States.* MDRC, 1992.

Riccio, J. and D. Friedlander. *GAIN: Program Strategies, Participation Patterns, and First-Year Impacts in Six Counties.* MDRC, 1992.

Bardach, E. *Improving the Productivity of JOBS Programs.* MDRC, 1993.

Friedlander, D., J. Riccio and S. Freedman. *GAIN: Two-Year Impacts in Six Counties.* MDRC, 1993.

Lurie, I. and J. Hagen. *Implementing JOBS: The Initial Design and Structure of Local Programs.* State University of New York: Nelson A. Rockefeller Institute of Government, 1993.

Evaluation of the JOB Connection Contracted Programs: First Annual Report. Washington, D.C.: Maximus, 1994.

Kemple, J. and J. Haimson. *Florida's Project Independence: Program Implementation, Participation Patterns and First-Year Impacts.* MDRC, 1994.

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Reform 'Welfare' or Reform 'Welfare Reform'?

A Guest Review by

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This article is a review of Laurence E. Lynn, Jr.'s article, "Ending Welfare Reform As We Know It," which appeared in the Fall 1993 issue of *The American Prospect.* Lynn is a member of the Social Service Administration and Public Policy Studies faculties at the University of Chicago. He is co-author with David Whitman of *The President As Policy Maker: Jimmy Carter and Welfare Reform,* published by Temple University Press in 1981, and author of *The State and Human Services: Organizational Change in a Political Context,* published by MIT Press in 1980.

Overview

Lynn's thesis is that traditional approaches to welfare reform are based on ways of thinking and research methods that fail to acknowledge the deteriorating labor market and the sharply growing inequality of earnings. He suggests that meaningful "welfare reform" requires a revision of the current notion of welfare reform itself.

Lynn finds fault with previous welfare reform approaches for their failure to address the persistence of poverty. He criticizes the efforts of the Working Group on Welfare Reform, Family Support, and Independence, for its failure to recognize the realities of the current labor market. He explains the persistence of past approaches in terms of the effects of research and evaluation methods, of the nature of the political sponsorship of policy analyses, and of ideology. He proposes a variety of policy options that reflect the need to provide economic opportunities for all Americans.

Critique of Welfare Reform Approaches

The aim of traditional approaches to welfare reform has been to reduce poverty via employment. The Working Group continues an approach which has narrowed the focus of reform to a preoccupation with the dependency of single parents who are long-term recipients of Aid to Families With Dependent Children (AFDC) rather than with the original concern for fighting poverty at its roots. Lynn claims that this approach increasingly relies on penalties rather than services to channel recipients into jobs. The obsession with reducing the welfare dependency of single mothers stems from the ideological view that welfare *subverts* family life and the work ethic.

Other policy researchers offer an alternative view which focuses on growing earnings and income inequality, and which recommends policies to ameliorate the effects of structural unemployment and to improve labor force productivity. However, Lynn feels this research has had little impact on the welfare reform debate, which continues to direct attention to poor women not in the labor market.

Lynn regards central aspects of the Working Group's proposals as damaging and senseless because they propose to push marginally prepared welfare mothers into a labor force that has a declining capacity to absorb them, and into jobs which offer little prospect of escaping poverty. No value is placed on the jobs women perform as parents and homemakers. The problem is compounded by government policies that encourage part-time employment and downsizing of government programs that offer career opportunities. The result, he says, is that economic mobility for the poor is declining and low-income families are likely to remain poor.

The current welfare reform debate reflects ways of thinking about poverty and research methods that have become an orthodoxy. Lynn says three kinds of explanations have been advanced to explain the persistence of family poverty. One focuses on barriers to economic opportunity such as racial discrimination by employers, lack of day care or non-availability of low-skill jobs. A second focuses on the behaviors of poor people, such as out-of-wedlock births, dropping out of school, and anti-social behaviors. A third deals with lack of job skills.

Despite the increased barriers to economic mobility in the 1980's, policy emphasis has been on life styles or lack of skills. The goal of all three approaches has been and continues to be to increase the incomes of the poorest families via employment, rather than addressing income inequality per se.

Income maintenance, the cheapest and simplest method of increasing family income has been discredited because it is presumed to reduce work effort. Lynn believes policies aimed at increasing income by getting welfare mothers into jobs through lowering barriers to work have been unsuccessful as measures to reduce poverty or to improve economic mobility.

The failure of past policies designed to reduce poverty via work or changing counter-productive behaviors has been blamed on factors such as mounting federal deficits, limited social welfare budgets, and the behavior of the poor, rather than on the fact that the policies were based on *faulty premises.* Lynn says the ineffectiveness of the policies has not led to a reexamination of the premises.

Lynn argues that the Administration's welfare reform proposal also is based on the view that putting people to work *will eliminate the need for welfare except as transitional assistance,* despite the pervasive increase in earnings inequality that has occurred for both men and women, in both manufacturing and service sectors, and for those of varying age, experience and educational levels. The consequences have been particularly devastating for those at the bottom of the skill ladder. The problem is compounded by racial discrimination in hiring.

Both employment and wages have been declining for low-skill workers because of increased demand for those with higher order skills. The downward pressure on wages will worsen due to competition from low-wage economies, technological change, deregulation of industries and structural economic changes which increase demands for more skilled workers.

The deterioration in the earnings prospects of the less skilled has resulted in a 2% decrease in the real incomes of those in the poorest one-fifth of the income distribution, making it increasingly difficult for low-income families to earn their way out of poverty in the legitimate economy.

Policy Implications

Lynn suggests that the policy implications of the decline in job opportunities and in real wages are that persistently poor women on AFDC will need *considerably higher skills* to improve their economic prospects. He is concerned that the allocations for the Family Support Act's JOBS program, and the two year training period that is part of the Administration's plan, are too meager to support necessary skill improvements. He also points out that many support services will be needed to make it possible for young welfare mothers to become part of the paid labor force, particularly if upward mobility is the goal.

Also of concern is the possibility that those women who do get jobs may do so at the expense of the economic prospects for low-skilled men who are increasingly unable to pay child support. In that event, the result is not a reduction in aggregate poverty but simply a "sex change." Nor can welfare reform by itself overcome racial discrimination in hiring which must also be addressed if blacks are to become economically mobile.

Lynn cites other researchers who believe that a more generous safety net may be necessary along with policies designed to improve skills, even in a booming economy. Others believe the government must be more active in encouraging private companies to invest in the job skills of non-college educated workers, and that an expanded apprenticeship program should be developed along with improvements in the nation's high schools.

Welfare Reform Orthodoxy Remains

Despite empirical evidence of widening income inequality and diminishing economic opportunity at the bottom, the Administration's welfare reform policy group and others continue to focus on the *normative behavior of women on welfare*, according to Lynn. This normative focus is explained by Joel Handler and Yeheskel Hasenfeld (see *The Moral Construction of Poverty*, Sage Press, 1991) as being due to the fact that social welfare policy is a set of symbols targeted as much at the nonpoor as at the poor, to convey desired social behaviors. It is not intended to "solve the problem of poverty."

Lynn cites a number of reasons for the increasingly narrow focus on the behavior of women on welfare. Some nominally liberal policy intellectuals are convinced that AFDC promotes self-defeating behavior. Others believe "making work pay" will make AFDC less attractive in the long term.

Lynn argues that the emphasis on norms is to a significant degree due to research and evaluation methods that make inequality a peripheral concern because attention is focused on sheer labor market outcomes whose cost-effectiveness is evaluated in terms of the net present value of earnings gains.

He also suggests that timid political leaders are afraid to challenge entrenched interests or to propose policies that require significant new resources. And conservative ideology generates fear of the poor to whom are attributed low morality and anti-social behavior.

Reforming "Reform"

Any attempt to end welfare as we know it, Lynn contends, must recognize that welfare is a life preserver and that a robust economy will not eliminate poverty. It is a hoax, he says, to promise to make AFDC transitional assistance while restricting welfare outlays, when low-skill job opportunities and wages are collapsing. Welfare reform, in the sense of remaking AFDC, is not the key weapon in the fight against non-work and poverty.

Lynn proposes that policy makers should encourage states to spend four years making JOBS and the Family Support Act work humanely. He suggests that liberals should fight for incentives and ways to change the administration of welfare, and should experiment with ways to develop effective welfare-to-work transitions and to evaluate their long-term as well as immediate consequences.

More specifically, Lynn suggests that AFDC be segmented into three populations:

- Young, disadvantaged mothers with no skills.
- Temporarily poor women in need of short-term help.
- Older women not likely to fit into the labor market, for whom support services and SSI would be appropriate.

He claims that appropriate supports for the three groups are needed along with restoration of the real value of AFDC benefits and adequately financed family support services.

In addition, he believes that programs to promote work and productivity should be gender-neutral, non-punitive, based on labor market analysis, and administered by labor departments not welfare departments.

Lynn urges that a new national debate is needed on *earnings inequality and poverty and their consequences*. Researchers should identify and account for:

- Trends in pre-transfer earnings distributions and their implications for families.
- The careers of different cohorts in terms of age, skill and race-ethnicity.
- The economic mobility of all classes.

Reformers should focus also on the quality of secondary schools; the role of community colleges in transition to work; discriminatory hiring processes; and strategies for improving socio-economic mobility for those with little chance for upward mobility.

Resource Commitments

Lynn emphasizes that policies that emerge from a focus on long-term economic opportunity will require mammoth resource commitments, on the order of $60 billion for worker training, unemployment insurance for displaced workers, and changes in AFDC. The choice is to spend the money on these programs, or later on the predictable consequences of economic failure.

Lynn feels it is imperative for the Administration to use its power to *shift the premise and focus of welfare reform from short-run legislative victories with AFDC to skills, jobs and choice leading to materially rewarding careers for those who can take advantage of them, and to a humane, family-preserving welfare system for others.*

Commentary

Lynn's article would have been strengthened if he had developed more fully his view that the Working Group's welfare reform proposal fosters a widening gender gap between second-rate "welfare work" programs for women and labor department "income work" programs for men.

Lynn's argument that current welfare orthodoxy is to a large degree due to favored research and evaluation methods which evaluate programs on the basis of earnings gains could also have been made clearer. He seems to contradict himself when he says that attention is devoted to behavioral variables, but then states that program interventions are typically evaluated by their cost-effectiveness in terms of earnings gains, even though the underlying problem of dependency has been diagnosed as cultural and behavioral.

Lynn's belief that it is morally absurd to base welfare reform on requiring ill-prepared women to move into a labor market that cannot absorb them or that will perpetuate their poverty is shared by many. A 1992 Census Bureau report projected that through the year 2000, the bulk of an expected 36 million new jobs will be low-wage cashier, clerk, waitress and hospital cleaning positions. Between 1987 and 1989, 42% of newly created jobs paid a mean hourly wage of $4.62. These data buttress Lynn's view that forcing welfare mothers into such jobs will make the existence of their families even more precarious.

It would have been useful if Lynn had expanded on his concern that current and past welfare reform policies place no value on *the work women perform as parents and homemakers or on training them to be competent, attentive parents.* This is particularly critical in the light of a recent study which indicates that the quality of day care available to many working parents who rely on "family" day care is poor or custodial care. Thirty-five percent of the "family" day care providers studied by the New York-based Families and Work Institute did a poor job and 56% gave only custodial care. Such care does not provide the stimulation which children under age three need for their development according to a Carnegie Corporation report.

Current welfare reform proposals fail to recognize that AFDC was originally put in place to allow women without husbands (at that time widows) to remain at home because it was unreasonable to expect one person to bear the burden of performing the three roles of parenting, homemaking and breadwinning. Perhaps welfare policy should once again recognize the roles women perform as parents and homemakers as "socially useful work" deserving of financial support.

In this context, there is evidence from the Seattle - Denver Income Maintenance study that contradicts the view that income maintenance, the simplest and cheapest way of increasing the income of poor families, reduces work effort. The effect appears to be negligible.

As Lynn indicates, the obsessive preoccupation with single mothers on AFDC is *ideological.* Blaming the poor for their poverty and focusing on employment as the way to reduce poverty makes it possible to ignore the issue of *income inequality.*

There is reason to believe that the issue of income inequality is far more significant than the problem of welfare dependency. Less than one percent of the federal budget is consumed by AFDC payments. But the growing income gap is confirmed by 1989 federal income tax returns which showed that the top 4% of American wage earners (3.8 million individuals and families) earned as much in total wages and salaries as the bottom 51% (49.2 million individuals and families).

Lynn points out that the earnings gains from welfare-to-work policies and job training are far too small to alleviate poverty or to improve economic mobility. 1992 Census data which indicate that 44% of the 7.7 million single mothers who were working either full or part-time were poor confirm his view. The median income of the women was $9,353.

Lynn calls for a new national debate and research on earnings inequality, poverty and the consequences of both. Let us hope his plea will not fall on deaf ears.

Editorial Commentary

Clearly the debate over anti-poverty strategies has not ended and will continue to benefit from evaluation efforts as new program models are tested. As yet we have little experience with or information about comprehensive, intensive education, training and employment programs that involve a large proportion of welfare caseloads, and we remain politically resistant to universalistic solutions to poverty and the problems of the near-poor. As poverty continues to increase, despite general economic growth, and the social problems that are well-established correlates of poverty become more pervasive in affecting the life quality of the non-poor, we may finally embrace the need for a *national family policy*.

Resources

Selected Federal Research

In Education, Training, Employment, and Economic Development

Editorial Introduction

Issue #9 of *Evaluation Forum* provided an overview of selected nationally-funded research projects completed or in progress at the U.S. Department of Labor, the U.S. Department of Health and Human Services, and the National Commission for Employment Policy. Over forty completed studies, and approximately sixty in-progress evaluations were described, and the research firms responsible for each study were identified.

An entirely new effort was initiated with Issue #10 of *Evaluation Forum*. The search for information on national-level research of importance to state and local users was expanded to federal agencies additional to those included in the Issue #9 overview.

There were several reasons motivating this attempt. First, state and local information users involved in the provision of workforce education, training and employment services often lack information about federally-funded research on workforce preparation and labor market issues which can benefit them in developing state and local workforce policy and in operating programs. Second, there is a strong movement at the national, state and local level in the direction of an integration of workforce development missions, goals and programs, with a stronger linkage between workforce policy and economic development efforts. Third, at all levels of the workforce system in the U.S. — national, state and local — researchers and research users in different organizational territories often do not know what each others' projects are or in what form the information from these projects is disseminated.

This rationale led the editor to test the utility of providing information on analyses and evaluations conducted *across* workforce preparation and economic development agencies at the national level, with the hope that this would provide useful information to readers and might also stimulate sources of national research to mount a common effort to pull together the information available from significant research activities.

In this first attempt, we acknowledge that the information we have been able to obtain is very selective and is uneven in what is covered and at what level of detail. However, the series of charts below represent a beginning step toward a longer-range goal of providing updated information on research activities across major federal agencies, as an ongoing feature of *Evaluation Forum*.

We are very grateful to the many staff in the agencies below who took the time to respond to a request for information about their research agendas and activities. We apologize for any inaccuracies in the reporting, and again caution readers that the information below is selective, representing only a segment of the activities of these entities. We found the response from staff contacts to be consistently enthusiastic and extremely helpful. We hope that federal agency staff working on research projects will feel free to send us information on their activities at any time, for use in this section of the journal.

At the end of this portion of the Resources Section, we have illustrated the work of major national research firms through the activities of several selected organizations. These are exemplars only, based on a request for information sent to a large number of firms. We hope that such firms will feel free to send us information on their projects as they are initiated or completed.

In conclusion, we refer readers to the Organization for Economic Cooperation and Development (OECD) for research on international issues relevant to education, workforce training, and employment. No-cost publication lists are available by contacting OECD's American outlet: OECD Publications and Information Center in Washington, D.C., at 202-785-6323.

U.S. Department of Labor

The Department of Labor sponsors a large body of policy analyses, program evaluations and policy research. Issue #9 of *Evaluation Forum* provided a detailed overview of recent research sponsored by the Office of Strategic Planning and Policy Development (OSPPD) of the Employment and Training Administration (ETA). Another major source of research is the Bureau of Labor Statistics, particularly its Office of Research and Evaluation, Office of Economic Research, and Division of Special Studies. The Foreign Economic Research Division within the Bureau of International Labor Affairs is an additional source. And the Office of Inspector General sponsors and conducts performance audits of ETA programs.

The Department's new Office of the American Workplace sponsors policy analyses and some research, particularly through its Commission on the Future of Worker-Management Committees and National Center for the Workplace. A recent report of interest from this new office is "High Performance Work Practices and Firm Performance." Also, the Department's Office of Work-Based Learning is a source of analyses of workforce preparation and development issues.

Because Issue #9 covered much of the recent research sponsored by OSPPD, we include here only the most recent projects.

Office of Strategic Planning and Policy Development

Recent Demonstration Projects

Issue Area	Title/Purpose/Contractor
Literacy	***Jobs for Literacy Skills*** To identify and test options for analyzing the literacy skills needed for jobs as part of the New Database of Occupational Titles, and develop options for defining Workplace Basic Skills descriptors in the new database. North Carolina Employment Security Commission
	Workplace Literacy: Validation and Implementation Project To test DOL's workplace literacy assessment instrument, provide technical assistance to demonstration sites in using scores in training, develop a management information system for recording and updating test records, and conduct a validity study. Educational Testing Service
Youth	***Youth Research and Technical Assistance Project*** In the process of being developed. Center for Human Resources, Brandeis University, and Public/Private Ventures
	Youth Year-Round Training Demonstration To link regular and summer school academic and work experience programs to assure that the learning acquired is reinforced on a year-round basis. Center for Human Resources, Brandeis University, and Public/Private Ventures
	High School Career Academies Demonstration To test a school restructuring and school-to-work transition model providing an intensive three-to-four-year educational experience for at-risk youth. Its effectiveness will be evaluated using an experimental design. Manpower Demonstration Research Corporation
Youth, continued	***Transition-to-Work Demonstrations for Disabled Youth*** To support a joint HHS/DOL effort to develop model transition programs. ASPE, HHS
	Out-of-School Youth Projects To assist in determining better ways to provide effective E&T services to economically-disadvantaged out-of-school youth, and to develop program models. National Urban League
	Focus HOPE School-to-Work Project To demonstrate the value of extending JTPA-sponsored training to qualify young minority adults and others for new, complex skill requirements in computer-integrated manufacturing. Center for Advanced Technologies
	Careers Match Program To develop an approach for preparing at-risk, inner-city youth for the school-to-work transition. Cincinnati Public Schools
	Youth Fair Chance Demonstration To create and operate alternative high schools for dropouts, including the provision of employment and social support services to students and their families.
Women	***PREP, Inc. Partnership Program*** To increase access for women and minorities to apprenticeable and primary labor market occupations, particularly skilled crafts.
Immigrants	***Immigrant Demonstration Project*** To provide E&T to immigrants.

next column

Department of Labor chart continues.

Department of Labor, continued

Issue Area	Title/Purpose/Contractor
Unemployment	***Job Search Demonstration*** To identify alternative ways to assist unemployed workers in D.C., Florida, and Wisconsin to become re-employed through counseling, job search workshops and training. Mathematica Policy Research, Inc.
JTPA	***Pre-Employment Skills Training Program*** To train and place JTPA-eligible individuals, particularly youth and displaced workers, in training-related employment. National Tooling and Manufacturing Association
	Statistical Support for Performance Standards Demonstration To incorporate customer feedback and continuous improvement into performance management. Social Policy Research Associates
	EDWAA Farmer and Rancher Demonstration To test innovative, replicable and effective approaches for providing outreach and job training. Michigan Department of Jobs and Training
	EDWAA Job Creation Demonstration To provide a series of twelve goal-setting sessions on job creation and small business management, with extensive follow-up. Berkeley Planning Associates
Skill Centers	***Job Training 2000 Demonstration*** To demonstrate "One-Stop Skill Center" objectives in Wisconsin. Selected PICS
Community College Education	***Community College Capacity Building*** To enhance the capability of a network of community colleges to deliver quality training to dislocated, incumbent and youth workers. American Association of Community Colleges
Job Development	***Microenterprise Grant Program*** To develop the capacity to provide effective business-related training to individuals developing a microenterprise, and technical assistance and support to owners or potential owners of a microenterprise.
Employers	***TEAMS Learning Consortia Project*** To develop and implement several workforce development projects involving consortia of small and mid-sized firms — to address these firms' training and technical assistance needs and to develop models for producing highly-skilled workforces linked to high performance workplace goals. Department of Commerce
Homelessness	***Homeless Job Training Demonstration*** To support demonstrations authorized by the McKinney Act.
Workforce System Performance Management	***Model Integrated Performance Management Approach*** To supplement NGA's and the Joyce Foundation's test of a model approach for integrating performance management across workforce development initiatives: school-to-work; worker retraining; and economic self-sufficiency. National Governors' Association
	Use of UI Wage Records for JTPA Performance Management To study the use of UI wage records as an alternative to the JTPA follow-up survey, for performance management purposes.
Capacity Building	***Capacity Building Challenge Grants*** To develop innovative ways to provide new or improved training services at the line staff level.
Information Production and Dissemination	***Training Technology Resource Center*** To develop an information network involving linkages between DOL and external organizations, conduct data acquisition and analysis, disseminate information, provide technical assistance, and respond to user needs and requirements. Fu Associates

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Recent Research Projects

Issue Area	Purpose/Contractor
Youth	To study the effectiveness of Florida's summer youth program. MDC, Inc.
	To conduct a national impact evaluation of the Job Corps. Mathematica Policy Research, Inc.
Youth, continued	To evaluate the Youth Fair Chance Demonstration.
	To study the effectiveness of the Alternative Schools Demonstration using an experimental design. Mathematica Policy Research, Inc.

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Department of Labor chart continues.

Department of Labor, continued

Issue Area	Purpose/Contractor
Youth, continued	To evaluate the outcomes of the second round of School-to-Work Demonstration Projects, and to develop an inventory of best practices. Mathematica Policy Research, Inc.
	To evaluate the statewide School-to-Work Transition System — its development and implementation — in a select group of states. Policy Studies Associates
	To evaluate the YOU Demonstration Program regarding its effects on youth employment, teen pregnancy, drug use, juvenile delinquency, school truancy and high school completion. Academy for Educational Development
Hispanics	To develop and implement a longitudinal study of the socio- economic status and labor market experiences of a sample of Hispanic households, as part of the Panel Study of Income Dynamics longitudinal survey. Institute for Social Research, University of Michigan
Homelessness	To supplement funding to the Census Bureau to pre-test a national survey designed to estimate the number of homeless who utilize various services. Census Bureau
	To evaluate the Job Training for the Homeless Demonstration and provide technical assistance to increase services to this group. James Bell Associates
JTPA	To identify and assess major organizational, administrative and operational designs, processes and problems in implementing the JTPA amendments. James Bell Associates
JTPA, continued	To provide information about the remedial education component of the summer youth program, and through intensive case studies to recommend ways to improve it. James Bell Associates
	To track the long-term impacts of the National JTPA Study's research sample over a longer follow-up period using UI and IRS data, and to investigate issues of interest to the job training policy community. Abt Associates
Service Delivery	To identify best practices in assessment, case management and contracting. SRI International
Unemployment Insurance	To evaluate the implementation of Section 401 of the Unemployment Compensation Amendments of 1992, including short-time compensation programs across the U.S.
Economic Development	To evaluate the Job Creation Demonstration operated by Community Development Corporations in cooperation with EDWAA grantees, in terms of its effectiveness in creating entrepreneurial and other employment opportunities for dislocated workers. Berkeley Planning Associates
Evaluation Strategies	To provide "rapid response" evaluation capacity for E&T programs funded by DOL designed to gather data, conduct data analyses, and prepare quick turnaround reports on specific job training and employment issues. Westat, Inc.

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Bureau of Labor Statistics (BLS)

Recent Research Projects

Issue Area	Project
Labor Market Experience	A continuation of the set of *National Longitudinal Surveys (NLS)* begun in the 1960s (managed by the Center for Human Resource Research, Ohio State University) to collect information on current labor force and employment status, work history, the characteristics of current/last jobs held, and a range of influences affecting labor market behavior. The NLS is the oldest longitudinal data collection effort in the U.S., having collected information over a quarter of a century on the labor force participation of five groups: older men, mature women, young men, and young women — and those studied through the 1979 *National Longitudinal Survey of Youth*. The Youth Survey was the result of a five-year cooperative effort between the BLS and the National Center for Research on Vocational Education. The design of the surveys has been the responsibility of the Bureau of the Census and the National Opinion Research Center at the University of Chicago. In the 1980s, reductions in the federal budget ended data collection on two of the four cohorts.

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Department of Labor chart continues.

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Department of Labor, continued

Issue Area	Project
Training Provided by Employers	A national survey of employers to determine the nature and extent of training subsidized and/or provided by employers.
Foreign Investments in U.S.	A study of the distribution of occupations in foreign-owned manufacturing establishments in the U.S., including differences among occupations by industry and investor company.

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Selected Recent Reports Based on NLS Data

Issue Area	Title
Youth	"The Effects of Unemployment Compensation on the Unemployment of Youth"
	"Participation in Low-Wage Labor Markets by Young Men"
	Work and Family Series: "Employer-Provided Training Among Young Adults"
Gender Issues	"Gender Differences in the Quit Behavior of Young Workers"
	"The Impact of Private Sector Training on Race and Gender Wage Differentials and the Career Patterns of Young Workers"
	"A Study of Intercohort Change in Women's Work Patterns and Earnings"
Work history	"Work Experience, Job Separation, and Wage Growth"
Training	"The Determinants and Consequences of Public Sector and Private Sector Training"
	"Training Among Adults: Who, What Kind, and for How Long?"
Worker Mobility	"Evaluating Competing Theories of Worker Mobility"
Family Background and Employment	"Family Background and Labor Market Outcomes"

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Projects Funded by OSPPD but Operated by BLS

Issue Area	Project
Dislocation and Homelessness	Provision of supportive services and alternative shelter and housing to homeless persons residing near public transit facilities, and a dislocated workers' survey jointly sponsored by DOL, HHS, HUD and the Department of Agriculture.
Dislocation, continued	Addition of questions to the CPS questionnaire to identify displaced workers; determine when they were displaced; identify what type of job they held and the reasons they were displaced; determine the length of time between receiving advanced notice and layoff; and answer other questions about their situation.
Labor Market Information	A review of the nation's labor market information needs and products, involving the use of available resources in BLS, ETA, the National Occupational Information Coordinating Committee, the LMI committee of the Interstate Conference of Employment Security Agencies, and state employment agencies.

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Department of Labor chart continues.

Department of Labor, continued

Bureau of International Labor Statistics (BLS)

Recent Reports in the *Economic Discussion Paper* Series

Issue Area	Report
Workforce Preparation	"Is Job Stability Declining in the U.S. Economy?"
	"Analysis of the Dislocated Workers' Educational Training Program"
	"U.S. Labor Market Adjustment Programs"
	"Trade-Sensitive U.S. Industries: Employment Trends and Worker Characteristics" (also in *Monthly Labor Review*, 1993)
	"The Quality of U.S. Jobs" (also in *The Service Industries Journal*, 1988)
Workforce Preparation, continued	"A Special Focus on Employment Growth in Business Services and Retail Trade" (also in *Skills, Wages and Productivity in the Service Sector*, 1990)
Employment & Unemployment	"Helping Poland Cope with Unemployment" (also in *Monthly Labor Review*, 1990)
Trade	A number of papers on trade relations and policies, and international economic integration.

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Recent *Working Papers*

Issue Area	Paper
Job Training	"Source of Training and Its Influence on Wages"
	"Training, Tenure and Cost Sharing"
	"Gender Differences in Training, Capital, and Wages" (also in *Journal of Human Resources*, 1993)
Wages in Employment	"Employer Effects on Earnings and Tenure"
Education	"Wages, Family Background, and Endogenous Schooling"
Poverty	"An Evaluation of Subjective Poverty"
Worker Dislocation	"Changes in Industrial Structure of Job Displacements: Evidence from Displaced Worker Surveys"
	"The Effect of Trade Liberalization on Workers and the Ability of Trade Adjustment Assistance to Offset Costs"
	"The Economic Consequences of Jobless Duration for Displaced Workers"
	"Designing Trade Adjustment Policies"
	"Does Training Work for Displaced Workers? A Survey of Existing Evidence"
International Issues	"U.S. and The Netherlands" (also in *Review of Income and Wealth*, 1991)
International Issues, continued	"Income Sufficiency vs. Poverty: Results from the U.S. and The Netherlands"
	"Employment Dimensions of Economic Restructuring: A Review of Related Labor Policies and Programs in Industrialized Countries" (also published by the World Bank, 1991)
	"The Importance of a Social Dimension for Western Assistance in Poland"
	"Facilitating Worker Adjustment: Canada's IAS Program" (also in *Entrepreneurial Economy*, 1986)
	"Evaluations of Programs in Industrialized Countries to Assist Workers Displaced by Structural Change: A Summary (also in Issue #7 of *Evaluation Forum)*
	"Structural Change and Labor Market Adjustment: A U.S.-Japan Comparison" (also in *Monthly Labor Review*, 1989)
	"Labor Adjustment Policies and Practices in Europe"
	"International Seminar on the Effects of Structural Change on Employment and Education and Training in the Service Sector: A Summary"

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Department of Labor chart continues.

Department of Labor, continued

Office of the Inspector General

Recent Performance Audits

Issue Area	Purpose of Audit
JTPA Title II-A	To examine whether employment barriers for participants were being identified and addressed, what kinds of training and other assistance were being provided and at what cost, and what participants' outcomes were.
	To study the extent to which program funding covered the eligible population, given the program's administrative and service costs, with particular emphasis on the reasons why JTPA was serving only about 2.3% of the estimated eligible population.
JTPA, continued	To study the level of utilization of 1992 supplemental funding for the Summer Youth Employment and Training Program.
	To explore specific issues of interest, particularly the role of PICs.
Trade Adjustment Assistance	To conduct a nationwide performance audit of the program, and more intensive studies of the Wisconsin and Texas programs.
Targeted Jobs Tax Credit	To study the viability of the TJTC program in terms of its role as a hiring incentive.

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Recent Reports

Issue Area	Report
Worker Dislocation	"Trade Adjustment Assistance Program: Audit of Program Outcomes in Nine Selected States"

next column

Issue Area	Project
Tax Credits	"Targeted Jobs Tax Credit Program: State of Alabama"

Sources OSPPD staff and their working list of projects; BLS's *Research Summaries*, *Work and Family* newsletter, *NEWS* newsletter, and *Working Papers*; staff of the Bureau of International Labor Affairs and their publication on research; and the *Semi-Annual Report of the Office of the Inspector General* (1992-1993).

Department of Labor chart concludes.

National Commission for Employment Policy

The National Commission is an independent federal agency authorized under the Job Training Partnership Act. Its purpose is to analyze employment and training policies and make recommendations to the President and Congress for improving the workforce system. Its major mandates are: 1) identifying the employment needs and goals of the nation and making assessments of the extent to which existing training, vocational education, public assistance and employment strategies are meeting these needs and goals, 2) advising the Secretary of Labor regarding the use of performance standards for evaluating the effectiveness of programs, and 3) studying ways to improve organizational efficiency and effectiveness within the workforce system and addressing labor force change and economic development issues.

Selected Projects in Progress or Completed: 1990 through Early 1994

Issue Area	Overview of Project
Economic and Labor Force Change	*A study of the implications of NAFTA for U.S. employment and the workplace,* with particular interest in dislocation effects and programs designed to ameliorate those effects. Special attention was given to labor markets, technology, competitiveness, worker migration and mobility, and trade and investment.
	A study of the employment effects in the U.S. of the integration of the European Community. Major issues were the effects of 1) the elimination of differences in regulatory and technical standards across the EC, 2) the elimination of nontariff barriers to trade, 3) the opening up of competition for government purchases in each EC nation to firms across the EC, and 4) the elimination of laws preventing providers of certain services from operating across national boundaries. Also, U.S. worker adjustment strategies for responding to these changes were analyzed.
	An analysis of the implications of employee benefits for employers, the workplace, and the economy. Issues of interest were strategies for recruiting entry-level workers, techniques to train prospective employees, literacy training, and ways to provide child care and other employee benefits to workers. The study also examined benefit practices in other industrialized nations, such as pensions, health insurance, and days off from work, as well as social security, medicare and workers compensation-type benefits. A major focus was on the cost of providing benefits vis-a-vis employment growth.
Role of Employment and Training Program in Improving the Functioning of the Labor Force	*A long-term study of state efforts to finance employer-based retraining efforts for dislocated workers.*
	A study of the educational, training and employment needs of the U.S. population, and the extent to which government programs were meeting these needs. This project included a conference on "Training a Diverse Population" which addressed changes in the economy and labor force that were generating new conditions, worker needs and potential problems.
Role of Employment, continued	*An analysis of the status of upward mobility programs in the U.S. service sector,* with emphasis on program implementation and successful program models. Among the industrial sectors studied were transportation, public utilities, wholesale and retail trade, finance, insurance and real estate.
	A study of coordination among programs with common or similar goals for serving economically disadvantaged clients but which are administered under different rules and regulations. The study reviewed public assistance programs and JTPA's eight percent education-coordination setaside. Methodologies for improving coordination were examined. Three seminars involving representatives of local governments and the agencies implementing the programs were the major sources of insights.
	A special study of the JTPA Eight Percent Education Setaside. This was conducted to see how the setaside was being used to encourage JTPA-education coordination and to identify key issues and options for improving it.
	An analysis of the Massachusetts E&T survey, to capture basic information about job training services to various target populations, and its costs. This analysis produced a methodology for assessing program objectives, organizational structure, modes of service delivery, federal-state partnerships, and state E&T funding. This provided a tool for state-level program coordination.

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National Commission chart continues.

National Commission for Employment Policy, continued

Issue Area	Overview of Project
Role of Employment, continued	*A study of Private Industry Councils in JTPA.* This study focused on practical recommendations for improving the effectiveness of PICs. *A study of the development and potential development of Human Resource Investment Councils (HRICs) in the states.* (Forthcoming) *An examination of local priorities regarding JTPA's Summer Youth Employment and Training Program.* *Several studies of the Employment Service:* its assistance to dislocated workers served by the Economic Dislocation and Worker Adjustment Assistance Act, with an emphasis on alternatives to lay-offs, and the role of ES in helping dislocated workers become re-employed; and its overall effectiveness. *Two studies on job training issues regarding Hispanic and Native American workers.* *A study of the impact of government regulatory policies on employment patterns in the U.S.* This study focused on coordination across regulatory agencies of the federal government in developing rules and regulations for E&T programs. A computer modeling strategy was developed and its utilization studied. There was interest also in requiring "regulatory impact analyses" as part of the "regulatory review process." *An analysis of information from the March 1991 Current Population Survey and special supplement administered in 1983,* concerning the receipt of training (initial training and upgrade training) and the source of funding used to support training. Survey data are being studied within the framework of the training receiver's characteristics: gender, race/ethnic status, education, industry and occupation. *A series of research projects on work and welfare.* In particular, these studies will examine the "two years and out" approach to welfare reform; the role of employers in providing training and employment to welfare clients; the use of incentives to affect the training and employment behavior of welfare recipients, such as the accessibility of child care; and the issue of how much and what type of education and training to provide, looking at the experience of welfare clients in JTPA.
Performance Management and Program Evaluation	*A series of projects regarding the use of UI wage records for performance management and program evaluation.* (Please see Issue #9 of *Evaluation Forum* for an article about these studies). *A descriptive evaluation of JTPA's targeting strategies, services and outcomes.* Outcomes of interest were employment, earnings and job retention. The study was based on NCEP's multi-state, multi-year data base of merged UI wage records and JTPA information. NCEP considered this project and the Department of Labor's experimental study of JTPA to be complementary contributors of findings about JTPA. As a supplement to this project and a bridge with the DOL study, a project was conducted in Utah to test the feasibility of using Employment Service records to develop a comparison group for evaluating JTPA using a quasi-experimental design. (This latter approach was one of the products of The JTPA Evaluation Design Project sponsored by NCEP in the latter half of the 1980s.) *As a follow-up to the above study, a case study in Texas to explore the use of UI wage records for examining participation and program outcomes in JTPA, JOBS and vocational education,* particularly regarding white, Hispanic and black workers. Based on this study, NCEP and DOL are developing a project on "successful outcomes," looking at what services and activities were provided to those who attained successful postprogram outcomes, what kinds of jobs they obtained, the number of job changes they sustained, and the labor market conditions they faced in obtaining jobs. *A project reviewing and summarizing what NCEP has learned about the use of UI data for performance management and evaluation.* This project is expected to provide insights for performance management and program evaluation for post-secondary vocational education and JOBs, as well as JTPA.

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National Commission chart continues.

National Commission for Employment Policy, continued

Selected Reports Completed or Forthcoming: 1990 through Early 1994

Issue Area	Title
Economic and Labor Force Change	"A Changing Nation — Its Changing Labor Force"
	"The Employment Effects of European Economic Integration"
	"The Employment Effects of the North American Free Trade Agreement"
	"Employee Benefits for American Workers"
	"The Changing Role of Labor Force Statistics for Economic Policies of the 1990's" (Forthcoming)
The Employer Community	"Employer Strategies for a Changing Labor Force: A Primer on Innovative Programs and Policies"
Workforce Planning	"Workforce Futures: Strategic Planning in the States"
Workforce Coordination	"The JTPA Education-Coordination Setaside"
	"Assessing State-Level Job Training Coordination: A Survey Design and Methodology Based Upon the Massachusetts Experience"
Workforce Programs	**Employment Service** "Improving the Effectiveness of the Employment Service: Defining the Issues"
	"Improving the Effectiveness of the Employment Service in Serving Dislocated Workers Under EDWAA: Evidence from the 1980's"
	JTPA "Upward Mobility Programs in the Service Sector for Disadvantaged and Dislocated Workers"
	"Training Hispanics: Implications for the JTPA System"
	"Helping the Homeless be Choosers: The Role of JTPA in Improving Jobs Prospects"
	"Developing Effective JTPA Performance Standards Incentive Policies"
Workforce Programs, continued	"Private Industry Councils: Examining Their Mission Under the Job Training Partnership Act"
	"Private Industry Council Training Manuals" (Forthcoming)
	"Measuring Employment Effects in the Regulatory Process"
	"Patterns of Hispanic Participation in Texas AFDC and JTPA Programs" (Forthcoming)
Workforce Preparation	"Public and Private Investment in Training in the U.S." (Forthcoming)
	"Unemployment Insurance Wage Records' Potential for Measuring Performance in JTPA, JOBS, and Post-Secondary Vocational Education" (Forthcoming)
Work and Welfare	"Training Welfare Recipients: How Much and What Type Raises Them Above Poverty?" (Forthcoming)
Program Evaluation	"Evaluating State-Financed, Workplace-Based Retraining Programs" (Please note: Three reports were produced from a multi-year project: the first focused on the policy rationale underlying this approach, an intervention model, and the feasibility of a particular method for evaluating such an approach; the second reported on the feasibility of applying the evaluation method; and the third reported on three case studies of state retraining programs, and their linkage with the objectives of private sector firms.)
	"A Feasibility Study of the Use of Unemployment Insurance Wage-Record Data as an Evaluation Tool for JTPA."
	"Using Unemployment Insurance Wage-Record Data for JTPA Performance Management"
	"Evaluating JTPA Programs for Economically Disadvantaged Adults: A Case Study of Utah and General Findings"

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Sources Sources of information for NCEP projects and reports: 1992 and 1993 Annual Reports of the National Commission for Employment Policy, and additional information from NCEP staff.

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National Commission Chart concludes.

U.S. Department of Health and Human Services

The Office of the Assistant Secretary for Planning and Evaluation (ASPE) sponsors a large body of research on HHS programs. In the work/welfare area, the Office of Policy and Evaluation in the Administration for Children and Families collaborates with ASPE in approving work/welfare demonstration projects authorized under 1115 waiver authority, developing research parameters for judging their efficiency and effectiveness, and overseeing their evaluation. The projects below are primarily studies of JOBS, and recent demonstration projects which will ultimately be evaluated. Since selected HHS research was summarized in Issue #9 of *Evaluation Forum,* we list here only those demonstration projects that were authorized in 1992 and 1993. Evaluations of some of the demonstration projects funded earlier are reviewed in the Features Section of this issue. HHS's Office of Inspector General (OIG) also conducts research in-house through its Office of Evaluation and Inspections. The OIG studies listed here focus on the JOBS program.

ASPE and the Office of Planning and Evaluation, Administration for Children and Families

Completed Research, 1993-1994

Issue Area	Report Title/Overview/Primary Contractor
Work/Welfare	***Implementing JOBS: The Initial Design and Structure of Local Programs*** A descriptive study to examine local implementation of the JOBS program. Rockefeller Institute of Government
	Saturation Work Initiative Model in San Diego: A Five-Year Follow- Up Study An experimental evaluation of San Diego's Saturation Work Initiative Model (SWIM) which required heads of single and two-parent households receiving AFDC to engage in activities that promote employment or risk temporary loss of part of their grant: a five-year demonstration project. Manpower Demonstration Research Corporation
Homelessness	***Outcasts on Main Street: Report of the Federal Task Force on Homelessness and Severe Mental Illness*** A policy analysis on homelessness and mental illness based on the work of the Task Force on Homelessness and Severe Mental Illness, with recommendations for government action. Manpower Demonstration Research Corporation
Youth	***Comprehensive Service Integration Programs for At-Risk Youth*** A study to assess how integrated, comprehensive services can be provided to at-risk youth: the design and implementation of such services; barriers to developing them; and ways to facilitate their creation. The Urban Institute

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Selected Demonstration Projects Approved in 1993

Issue Area	Title/Overview/State
Compliance Sanctions	***Personal Accountability and Responsibility (PAR)*** Excludes from AFDC grant any able-bodied recipient who is not caring for a child under age 14 and who has refused an offer of full-time employment at or above the minimum wage or who terminates employment without good cause. Sanction for first violation is loss of grant for three months; for second, six months. Georgia
Multiple Interventions for Youth and Adults	***Multi-Pronged Welfare Reform Project*** Consists of six distinct but interactive projects intended to augment service delivery, enhance family stability, increase JOBS participation rates, and provide work incentives. The six projects: 1) makes recipients age 14-20 mandatory for JOBS; 2) provides homeless AFDC families with intensive community services; 3) eliminates [illegible]-hour rule for two-parent recipients and other work disincentives; 4) offers non-custodial fathers JOBS services to increase child support; 5) encourages recipients to accept temporary work in the context of budgeting earnings to reduce their impact on benefits; and 6) reduces work disincentives in eligibility rules. (The sixth project is titled Project Fresh Start.) Illinois

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Health and Human Services chart continues.

Health and Human Services, continued

Issue Area	Title/Overview/State
Multiple Interventions, continued	***Family Independence Project (FIP)*** Liberalizes AFDC rules to remove work disincentives; requires parents whose youngest child is under age one to participate in JOBS; requires pregnant and parenting minors to attend school or obtain training; requires single and two-parent recipients who have not obtained subsidized employment to participate in subsidized community service jobs; provides transitional child care and Medicaid for working parents. Vermont
Work Incentives and Disincentives	***Iowa Family Investment Program (FIP)*** Requires all adult recipients of AFDC to enter into a Family Investment agreement outlining activities and time frames during which client is expected to become self-sufficient. Clients demonstrating effort and progress can renew agreement, but those not complying will lose grant over six month period and cannot reapply for six months. Project also reduces work disincentives related to AFDC rules/regulations. Iowa
Employment and Training	***Welfare Reform Project*** Involves job creation via work with employers to obtain jobs for longer-term recipients; liberalizes some AFDC rules to reduce work disincentives; provides transitional case management, and child care and medical benefits for year following closure of grant due to employment; offers employers providing jobs to recipients a reimbursement of 20% of their wages during 1st year and 10% second year; permits AFDC children enrolled full-time in school to receive benefits until age 21 if making satisfactory progress. Virginia
Limitation to Welfare Receipt	***Work Not Welfare Demonstration (WNW)*** Restricts clients to 24 months of regular plus one year of transitional benefits within a four year period; involves cash-out of Food Stamps, as part of grant; provides support services to families who have had benefits terminated, child care for working parents, Food Stamps, and special needs grants for children who would be made homeless by grant termination. After first month, WNW grant is defined as payment for work or training client is expected to engage in. Education, work or training is required of all parents, with some exceptions such as parents of a child under one who have not had the child while receiving benefits. Working parents can receive transitional benefits within the four-year timeframe. Wisconsin
Limitation, continued	***Welfare Reform: New Opportunities and New Responsibilities*** Requires all able-bodied AFDC applicants and recipients to work or participate in a work experience program unless exempted; reduces monthly benefit if minor has not completed high school or has refused to attend school or find employment, and if assistance unit does not comply with program rules and regulations. Clients have a one-time-only opportunity to pursue education, but benefits are terminated at the end of six months at point individual completes an associate or AB degree and are eliminated if client is pursuing a second degree or is working on a degree program too long. Wyoming
	Title Not Known Restricts receipt of benefits to 2 years within any 60-month period; removes work disincentives; provides transitional benefits for working parents; requires participation in JOBS for those with youngest child six months and older. Florida
Consolidation of Benefits	***Title Not Known*** Consolidates AFDC, Food Stamp and child care benefits into single package; removes some of work disincentives from AFDC rules; requires childhood immunization; places a two-year limit on benefits for clients not complying with regulations; provides incentives to complete high school. Colorado

Office of the Inspector General

Completed Research, 1993-1994

Issue Area	Report Title/Overview
Welfare/AFDC	***Functional Impairments of AFDC Clients*** A study to determine whether and how states implementing JOBS are systematically identifying and dealing with the functional impairments, and limited education and work experience, of many welfare clients.
Welfare/AFDC continued	***Functional Impairments of AFDC Clients: Case Studies*** Case studies of eight programs dealing successfully with JOBS clients' functional impairments.

Health and Human Services chart continues.

Health and Human Services, continued

Issue Area	Title/Overview
Welfare/JOBS	***JOBS Skills Assessment*** A study of the client assessment process used by states to determine client skills: its sophistication, scope and effectiveness in the JOBS program.
	JOBS Program and Proprietary Schools A study of how eleven states incorporated training in private-for-profit proprietary schools into their JOBS programs, and their satisfaction with that strategy.
	Performance Indicators in the JOBS Program A descriptive study to determine states' attitudes toward the use of performance indicators to judge JOBS' outcomes, their ability to develop data systems to support this use, and their perspectives on the development of federal performance measures.
Welfare/JOBS, continued	***Using Community Resources for Educating and Training JOBS Participants*** A survey of twenty-seven states and twelve local communities to describe promising practices for utilizing existing community resources to serve JOBS clients.
	Participants Rate the JOBS Program A survey of 232 JOBS participants in five cities to solicit their attitudes toward the program, their program experiences, and their recommendations for improving JOBS.
Conclusion	For those interested in the context for the demonstration projects, HHS's goal for demonstration activities is the contribution of knowledge to the improvement of AFDC families' economic self- sufficiency, a major objective of Title IV of the Social Security Act and JOBS. HHS develops priorities for the issues to be addressed and the nature of the demonstration, and requires an evaluation of the demonstration that focuses both on program implementation — both the organizational aspects and the service delivery features of implementation — and on program impact utilizing (preferably) an experimental design methodology. The demonstration projects must be budget-neutral. States willing to accept these requirements and interested in testing innovations regarding the issues being addressed must formally apply to HHS in response to an RFP. The cost of the demonstration and evaluation component is shared between the federal government and the states whose demonstration models are approved.
Sources	The source of information for the entries in this chart is material published by ASPE and the Office of Policy and Evaluation, and information from staff in these offices. It should be understood that this information covers only certain characteristics of the demonstration projects.

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Other Research

HHS also funds extensive research through the Institute for Research on Poverty, University of Wisconsin. The Institute produces a newsletter-journal, *Focus,* which is an excellent resource for learning about poverty-related studies funded by HHS and other sources.

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Health and Human Services chart concludes.

U.S. Department of Education

The major sources of research within the U.S. Department of Education are: 1) the Office of Evaluation under the Assistant Secretary for Policy and Planning, 2) the Office of Educational research and Improvement (OERI) and its Office of Research, and 3) the Office of Vocational and Adult Education and its National Center for Research on Vocational Education in Berkeley, California. The National Center for Educational Statistics, part of OERI, is also a significant source of information. The Office of Evaluation in Policy and Planning has been working with the Department of Labor on the planning and implementation grants for the School-to-Work Initiative and its national evaluation. OERI's Office of Research funds 21 National Educational Research and Development Centers, of which the National Center on the Educational Quality of the Workforce at the University of Pennsylvania is the most relevant for the employment and training community. This office also funds the Field-Initiated Studies program to advance educational theory and practice, and sponsors studies of educational reform efforts. Many of the projects of the U.S. Department of Education are policy analyses, descriptive studies and longitudinal surveys. The projects listed below represent a selected sample of Department of Education research.

Office of Educational Research and Improvement (OERI)

Selected *Field-Initiated Studies, Educational Research Grant Program,* 1993

Issue Area	**Purpose of the Project/Recipient**
Drop-Outs	To generate a high-risk index for predicting which students are likely to drop out of school, and to map the pathway to and from school failure for those students. University of Minnesota
Migrant Youth	To investigate factors influencing migrant youth's participation and success in post-secondary education. BOCES, Colorado
Minority Youth	To conduct an experimental study of the effectiveness of a scholarship incentive program for minority youth, and to analyze the effects of the program's selection criteria. University of Toledo
Ungraded Schools	To investigate the development, implementation and effects of ungraded primary schools. University of Louisville
Academic Tracking	To examine a variety of tracking alternatives in high schools, and to evaluate the effects of alter-
Tracking, continued	native tracking on student educational aspirations, academic satisfaction, and self- confidence. Johns Hopkins University
Parent and Community Involvement in Schools	To develop recommendations for state/local policymakers to strengthen, increase, and support parent and community involvement in the educational system. Montana State University
Teacher Education	To refine a teacher education program within a school-university partnership, with an interest in the recruitment of qualified minority teachers. Northern Arizona University
Best Teaching Practices	To conduct intensive studies of eight urban elementary school teachers who have demonstrated unusual success in improving literacy skills and student attitudes, particularly regarding minority students. University of Colorado

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Selected *Field-Initiated Studies,* 1990 through 1992

Issue Area	**Purpose of the Project/Recipient**
Adult Basic Education	To produce a profile of existing practices, teacher qualities, and learner preferences regarding the teaching of mathematics using recent standards developed by the National Council of Teachers of Mathematics. World Education, Inc.
Immigrants	To examine the process of educational adaptation among language minority youth and the impact of these second-generation immigrant students on secondary schools. San Diego State University

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Department of Education chart continues

U.S. Department of Education, continued

Issue Area	Purpose of the Project/Recipient
State Education Policies	To study state education agency initiatives in four states to support and increase family involvement in education. Council of Chief State School Officers
Utilization of Research	To explore the conceptual and instrumental uses of social research knowledge among education policymakers in the U.S. and Australia. University of Missouri
School to Work	To examine how and why disadvantaged students in high schools are placed in inappropriate or unsuitable courses or programs, in order to make recommendations for improving their education. Columbia University
At-Risk Youth	To identify the factors contributing to the graduation or dropping-out of Native American students in high school, and to develop a predictive model for identifying potential drop-outs. Montana State University

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National Assessment of Vocational Education

The National Assessment of Vocational Education (NAVE) was mandated by Congress in the 1990 Carl Perkins Act. It consists of a series of studies of vocational education conducted over a three-year period. To frame the issues and methodology guiding the multi-faceted study, a Design Conference was held in the spring of 1991. The panel constructed for the conference continued to provide review and comment on the research. The research was funded by the Department of Education but conducted as an independent study. The first of two reports on the status of secondary and postsecondary education in the U.S. was published in October, 1993. The second and final report will be submitted to the Congress in the summer of 1994.

National Center on the Educational Quality of the Workforce

Funded by OERI, this national center (EQW) is four years old. Its current research agenda focuses on these issues: 1) the capacities of firms to manage a skilled workforce, 2) the attitudes about work and skills that employees bring with them to the workplace, 3) the ways in which formal education affects employees' work lives, and 4) the abilities of schools and other parties to be effective suppliers in an expanding market for work-related education. The Center is located at the University of Pennsylvania. EQW engages in an active research dissemination effort, including special Washington Public Policy Seminars and the publication of *EQW Issues, EQW Working Papers*, and *Databooks*.

Selected Current Research

Issue Area	Projects
Education and Training Provision	A five-year effort to develop, test and make available integrated data sets for benchmarking the scale, scope and content of work-related education and training for adult learners.
High-Tech Training	A multi-year study to determine the specific knowledge and skills required of workers in order to perform effectively in highly technical occupations.
Employer Investments in Training	A quantitative study using field studies and data analysis to determine why some firms choose to invest in education and training while others do not.
Employment Outcomes for Service Receivers	A project to investigate the types of employment former vocational education students obtain and the wages they receive.
Outcomes, continued	A pilot study to test the efficacy of conducting a larger-scale evaluation of the relationship between school inputs and labor market outcomes.
Youth Employment	An exploratory study to integrate what is known about youth employment, experiential learning, and the effect that jobs targeted to youth have on the formation of attitudes toward work and work behavior.
Labor Market Change	An analysis of Current Population Survey data to gauge changes in the span of job tenure over time for different demographic groups.

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Department of Education chart continues

U.S. Department of Education, continued

Selected EQW Publications

Issue Area	Title/Author
Skills Requirements	*Is the 'Skills Gap' Really about Attitudes?* Peter Cappelli
	Advancing Workforce Skills: Opportunities and Requirements for State Action David Stevens
	The New Crafts: The Rise of the Technical Labor Force and Its Implication for the Organization of Work Stephen Barley
Workforce Competitiveness	*Competitive Strategies of States: A Life-Cycle Perspective* Patricia Flynn
	Building a World-Class Front-Line Workforce: The Need for Occupational Skill Standards in State Workforce Preparation Programs Robert Sheets
	Public Investments in Training: Perspectives on Macro-Level Structural Change and Micro-Level Delivery Systems Wayne Cascio
Employer Training and Hiring	*A Program of Research on the Role of Employer Training in Ameliorating Skill Shortages and Enhancing Productivity and Competitiveness* John Bishop
Employer Training, continued	*What Employers Want: Employer Perspectives on Youth, the Youth Labor Market, and Prospects for a National System of Youth Apprenticeship* Robert Zemsky and Penney Oedell
Data on Worker Training	*Crosswalk of National Data Sets Focusing on Worker Training* This crosswalk includes data from these national surveys: CPS, SIPP, BLS's National Longitudinal Survey, NLS, and the High School and Beyond survey.
Performance Measurement	*College and the Workplace: How Should We Assess Student Performance?* Peter Cappelli
Youth	*Youth Apprenticeships and School-to-Work Transition: Current Knowledge and Legislative Strategy* Paul Osterman and Maria Iannozzi
	British Lessons for School-to-Work Transition Policy in the U.S. Peter Cappelli

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National Center for Research in Vocational Education

NCRVE was established under the Carl D. Perkins Vocational Education Act to conduct applied research and disseminate its results, and to support training. It is actually a consortium of educational institutions led by the University of California's Graduate School of Education. The Center publishes a newsletter titled *Change Agent*.

Reports on Completed Projects, 1991-1993

Issue Area	Report Title/Project Purpose
Economic Context of Education	*Changes in the Nature and Structure of Work: Implications for Skill Requirements and Skill Formation* To analyze how changes in the economy and workplace are affecting skill requirements and methods for imparting skills.
	A Conceptual Framework for Evaluating Community College Customized Training Programs To develop a definition and model of customized training as a guide for evaluating such training.
Economic Context, continued	*Indicators of Education and the Economy* To analyze long-term economic and demographic trends as a context for developing vocational education strategies.
	Postsecondary Vocational Education and the Sub-Baccalaureate Labor Market: New Evidence on Economic Returns To analyze data from the National Longitudinal Study of the Class of 1972 to examine the returns for different kinds of sub-baccalaureate education.

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Department of Education chart continues.

U.S. Department of Education, continued

Reports on Completed Projects, 1991-1993

Issue Area	Report Title/Project Purpose
Economic Context, continued	*School/Work: Economic Change and Educational Reform* To develop a strategy for educational reform based on current reform initiatives and research on changes in the economy.
	Selection Bias and the Earnings Effects of Postsecondary Vocational Education To examine selection bias problems in national data sets in estimating earnings effects.
	Skills and Security in Evolving Employment Systems: Observations from Case Studies To conduct case studies of five firms attempting to implement employment systems characterized by a high degree of employment security, employee involvement in problem-solving, and continuous employee training.
Institutional Context of Education	*Access to and Use of Vocational Education in Teen Parent Programs* To examine a range of vocational opportunities available to young mothers enrolled in teen parent programs.
	Assessing Coordination of Vocational Education with Other Federal Programs To outline issues involved in coordination of vocational education and JTPA, adult basic skills, the Employment Service, apprenticeships, and disability legislation, as part of the NAVE study.
	Assessing the Nature and Operation of Institutional Excellence inVocational Education To study the nature and operation of institutions offering exemplary vocational education programs.
	Education and Training for Work: The Policy Instruments and the Institutions To study five major categories of education and training policies.
	Education and Training for Work in the Fifty States: A Compendium of State Policies To describe a database providing information about state policies and practices regarding five education and training programs: JTPA, welfare-to-work programs, state-funded job training, secondary vocational training and postsecondary vocational training.
	Local Systems of Vocational Education and Job Training: Diversity, Interdependence, and Effectiveness To describe and examine strategies used by education and training institutions in eight local communities.
Institutional Context, continued	*Training for Basic Skills or Educating Workers? Changing Conceptions of Workplace Education Programs* To provide a conceptual model for viewing workplace education programs.
	Vocational Education: Germany and the U.S. To analyze differences in vocational education between Germany and the U.S. through a literature review, case studies, and other information.
Curricula and Students	*Black Americans and Vocational Education: Participation in the 1980s* To analyze the status and outcomes of black Americans in secondary and postsecondary vocational education during the 1980s, using the latest national data sets.
	Building the Middle To synthesize NCRVE research on a series of educational reforms for youth.
	Establishing Integrated Tech Prep Programs in Urban Schools: Plans Developed at the NCRVE 1993 National Institute To describe the model plans developed by ten teams of educators for establishing integrated Tech Prep programs in urban schools.
	A Time to Every Purpose: Integrating Occupational and Academic Education in Community Colleges and Technical Institutes To develop approaches for integrating community and technical college vocational education based on a survey of postsecondary colleges across the U.S.
Accountability Systems	*Beyond Vocational Education Standards and Measures: Strengthening Local Accountability Systems for Program Improvement* To examine vocational education accountability strategies.
	Empowering Accountability in Vocational-Technical Education: The Analysis and Use of Wage Records To explore the use of UI wage records in increasing accountability.
	A Guide to Using Postsecondary Transcript Data and an Overview of Course Taking in Less-Than-Four-Year Postsecondary Institutions To facilitate the analysis of data in the High School and Beyond data set, creating a three-level taxonomy of courses divided into three broad areas and then into seven vocational and six academic levels.

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Department of Education chart continues.

U.S. Department of Education, continued

Issue Area	Report Title/Project
Accountability, continued	*Improving National Data for Vocational Education: Strengthening A Multiform System* To explore national data needs in vocational education and develop recommendations for establishing an integrated national data system.
	A Look at Planning and Evaluation Linkages Across States To study the extent to which substantive planning and comprehensive evaluation are linked in the states.
Accountability, continued	*Pandora's Box: Accountability and Performance Standards in Vocational Education* Several studies on the use of performance standards in assessing the outcomes of vocational education.
	Performance-Based Policy Options for Post-Secondary Vocational Education and Employment and Training Programs (no description)

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Report: *Agenda for 1993*

Issue Area	Purpose of Study/Contractor
Economic Context of Education	To develop a methodology for examining skill needs in a sample of firms that encompasses a variety of entry-level jobs. RAND Teachers College
	To examine the sub-baccalaureate labor market using data from the National Longitudinal Survey of the Class of 1972, the National Longitudinal Survey of Youth, and the Survey of Income and Program Participation, and to study the wages and earnings that result from various patterns of schooling and employment. RAND University of California-Berkeley
	To track the development of the industry- and occupation-based skills certification movement in the U.S., with an emphasis on how the movement can and should affect the vocational education community. Teachers College
Institutional Context of Education	To study the effectiveness of a group of integrated vocational-academic magnet schools and schools-within-schools using an experimental design, with an emphasis on differential impacts for different ethnic groups and "best practices." Teachers College
	To conduct case studies on the integration of vocational and academic education in postsecondary institutions. University of California-Berkeley University of Illinois
Curricula	To develop model urban Tech Prep programs. University of California-Berkeley
Curricula, continued	To continue an evaluation of state and local planning and implementation of Tech Prep programs. University of Illinois
School-to-Work	To develop a process for continuous improvement in programs seeking to connect school to work, focusing on vocational education, youth apprenticeship and school-based enterprises. University of Minnesota University of California-Berkeley
	To learn what role two-year colleges should play in work-based learning in assisting youth and young adults in the transition from school to work. University of Illinois
Entrepreneurship	To examine and evaluate the efforts of postsecondary vocational/technical institutions in establishing minority-owned enterprises in vocational training, focusing on special populations. Teachers College
Student Profiles	To provide a comparative profile and analysis of the literacy skills, demographics, and socioeconomic characteristics of individuals in vocational training, focusing on special populations.
	To conduct a three-year longitudinal study of the experiences of 150 vocational-technical education students, in terms of their attitudes, learning experiences, and outcomes. University of Wisconsin-Madison

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Sources Department of Education research staff, abstracts of projects, and publication lists.

Department of Education chart concludes.

U.S. Department of Commerce

In terms of research the division of the Commerce Department of greatest importance to the employment and training community is the Economic Development Administration and its Office of Research. The projects listed below are under the sponsorship of the latter.

Selected Recent Research

Issue Area	Purpose of Research/Contractor
Urban Economic Development	To assess the characteristics and effectiveness of market-based urban economic development strategies, including 1) the definition of essential features of entrepreneurial policies — such as their risk-taking, decision-making, and non-bureaucratic features, and 2) the classification of local policy tools in terms of these criteria and whether they rely on federal or nonfederal resources. University of Colorado
	To conduct county-based analyses of industrial classifications in 21 sectors, to design and test ways to measure industrial restructuring, and to prepare a growth model of employment between 1977 and 1984 to look for relationships between industrial restructuring, small business development, education, and the adequacy of support personnel. University of North Carolina
Rural Economic Development	To conduct a two-year study of rural development policy. Texas A&M University
	To prepare a guidebook containing 64 profiles of successful economic development initiatives in small towns and rural areas in the U.S. Midwest Research Institute
	To analyze strategies used for successful rural economic development in 12 counties. Research Triangle Institute
Economic Development Planning and Monitoring	To develop industry-driven strategies for economic planning based on a demand-side view of the allocation of resources. Cleveland State University
	To analyze aspects of state development incentives, including their rationale and the types used, and prepare a state-by-state guide describing incentive systems and their cost-effectiveness. The Urban Institute
	To report on the results of a national symposium on differing perspectives on economic development: national, state and local. Policy Studies Organization

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Issue Area	Purpose of Research/Contractor
Monitoring, continued	To develop a performance monitoring system for several major economic development programs. The Urban Institute
Industrial Change	To examine change in the location of manufacturing jobs between 1963 and 1987, in terms of movement from central cities and the suburbs to the exurbs located 15 to 20 miles from central cities. Georgia Institute of Technology
	To study the relationship of technology to employment and the effects of technological change on the workplace and U.S. productivity. National Academy of Sciences
Defense Conversion	To study the impact of reductions in military spending on employment, business closings, and the economic health of defense-dependent communities Northeast-Midwest Institute
Demographic Trends	To study the distribution of income in the U.S. between 1967 and 1987 National Bureau of Economic Research
	To examine the extent and location of ghetto poverty and the question of whether ghetto residents are worse off than poor people living elsewhere and in what ways. National Research Council
	To study the demographic, social, economic, and political trends shaping urban conditions. This study was associated with the Committee on National Urban Policy. National Academy of Sciences
Workforce Issues	To examine the effects of new technology on employment sectors traditionally dominated by women: its quality, its dislocation effects, and what training and relocation assistance are needed to address the dislocation impact. National Academy of Sciences
	To examine how the earnings of blacks are affected by their metropolitan areas' employment growth and mix of industries. W. E. Upjohn Institute for Employment Research.

Department of Commerce chart continues.

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U.S. Department of Commerce, continued

Issue Area	Research/Contractor
Workforce Issues, continued	To study the influence of economic diversity on unemployment and employment stability in regional economies of the U.S., U.K., and Canada. University of North Carolina
	To explore the reasons for differential self-employment and income differences by race and ethnicity. National Bureau of Economic Research
	To evaluate the Public Works Demonstration Projects for Women's Business Enterprise. C. Taylor and Associates
Workforce Issues, continued	To report on a forum on "Hard-to-Employ Youth: An Untapped Economic Development Resource." National Council for Urban Economic Development
International Issues	To study "best practices" in European Community initiatives to support technology-based development. Innovation Associates
	To report on a forum on major trends in current economic development policies, initiatives and programs being undertaken by other countries. National Council for Urban Economic Development

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Selected Recent Publications

Issue Area	Report Title
Demographic and Economic Trends	"The Determinants of State Per-Capita Income Growth: 1950-1987"
	"Exurban Industrialization"
	"Industrial Transition Paths and the Restructuring of Metropolitan and Rural Economies"
	"Inner-City Poverty in the U.S."
	"Technology and Employment"
	"Urban Change and Poverty"
	"Defense Adjustment and Conversion Lessons from Seven Sites"
Economic Development Planning and Evaluation	"The Five Paths to Local Economic Development"
	"Focus on the Future: Options in Developing a New National Rural Policy"
	"Profiles in Rural Economic Development"
	"Rural Economic Development: Learning from Success"
Planning, continued	"State Development Incentives"
	"Monitoring the Quality and Outcomes of Economic Development Programs"
Workforce Issues	"Computer Chips and Paper Clips: Technology and Women's Employment"
	"Economic Development and Black Economic Success"
	"The Influence of Economic Diversity on Unemployment and Employment Stability"
	"Self-Employment in the Labor Market: An Analysis of the Differences Among Racial and Ethnic Groups"
	"Turning Disadvantaged Youth into an Economic Development Resource: Education and Training Linkages"
	"Labor Force Participation and Unemployment in American Counties"
International Issues	"Exchanging Ideas Across the Globe: Successful Economic Development in the U.S. and Abroad"

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Sources	EDA staff, and *Recent Economic Studies of the Economic Development Administration*, December 1993.

Department of Commerce chart concludes.

U.S. Department of Agriculture

The major source of evaluation research related to employment and training in the Agriculture Department is the Food and Nutrition Service and its Office of Analysis and Evaluation, which has sponsored evaluations of the Food Stamp Employment and Training Program. Another source of research information is the Economic Research Service. In addition, the Agriculture Extension Division's Office of Workforce Preparedness has recently initiated research related to the Administration's School-to-Work Initiative. Our focus here is on two major studies of the Food Stamp Employment and Training Program that have recently been completed.

Selected Recent Research of Relevance to the E & T Community

Issue Area	**Report Title/Purpose of Research/Contractor**
Employment and Training	***Evaluation of the Food Stamp Employment and Training Program: Final Report*** An experimental evaluation involving 13,000 eligible participants in 53 sites in 23 states. Consisting of a study of program implementation, net impact and cost-effectiveness, the study sought information on the employment-related outcomes of the program. Abt Associates Westat, Inc.
Employment and Training, continued	***Study of the Food Stamp Employment and Training Program: Operations, Funding and Coordination*** Volume I: Study Findings and Conclusions Volume II: Descriptive Profiles of 15 Local Food Stamp Employment and Training Programs A process evaluation of the Program, focusing on operations, funding and coordination with related programs. SRI International Social Policy Research Associates

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Department of Agriculture chart concludes.

Charts continue.

U.S. Congress

In response to requests for information from the U.S. Congress, the U.S. General Accounting Office (GAO) conducts research within two of its divisions, the Human Resources Division and the Program Evaluation and Methodology Division. The Office of Technology Assessment (OTA) also carries out research relevant to the interests of the Congress. And the Congressional Budget Office conducts its own research. In addition, the Congressional Research Service is a major source of research information. We focus here on the GAO and OTA. For those interested in a general list of OTA publications, across all the issue areas this agency deals with , you may call 202-224-9241 to request any of the following: thirty-page summary booklets or shorter report briefs on OTA research projects, or a monthly list of new assessment activities.

General Accounting Office

Selected Research Projects Completed, 1990 through early 1994

Issue Area	Overview of the Project
Education	A case study to describe the types and extensiveness of privately-supported programs providing post-secondary financial aid, including the timing of assistance, the nature of the group receiving assistance with a higher education, whether mentoring and other supportive services are provided, and whether information on school enrollment, retention and graduation is collected systematically.
	A descriptive survey to determine the level or the awareness of high school students and their parents of the availability of financial assistance options for seeking a higher education.
	A descriptive survey to identify the demographics of Hispanic students who fail to complete high school, in terms of potential barriers to their completion of high school, including recent immigration, English language proficiency, work and family responsibilities, and family income level.
	A study of the Chapter 1 remedial education program to suggest ways to target more funds to those most in need: those in countries with the largest number of poverty-related low achievers and those least able to pay for supplementary services.
	A study to identify the kinds of jobs provided through the College Work-Study Program.
	An analysis of system-wide education reform in terms of federal leadership.
	A demographic study of school-age children.
	An analysis of the Canadian experience with educational standards and assessments.
Vocational Education	A descriptive survey and quasi-experimental evaluation to identify the characteristics of program participants and the training provided to them, and to determine whether previously rehabilitated participants achieved gains in employment and earnings relative to the years immediately preceding rehabilitation to employment.
	Exploratory case studies to determine the role of specialized skills training in obtaining employment in selected occupations that do not require a four-year degree, the barriers and opportunities for such training, and the role federal programs play in overcoming such barriers.
	A study to review the mathematics achievement levels of students taking the test titled National Assessment of Educational Progress (NEAP), designed by the National Assessment Governing Board, including an examination of the strengths and limitations of the test approach and results.
	A study to identify cost reduction and revenue-producing alternatives regarding the Perkins student loan program.
	An evaluation of the Vocational Rehabilitation Program: client characteristics, services received, and employment outcomes.
	A study of the status of vocational programs in secondary schools in school year 1990-1991 and changes in 1991-1992.
Employment and Training	An analysis of American apprenticeship training to identify its effectiveness in responding to current training needs,
	A study to determine strategies seeking to integrate human services for at-risk families, and to identify the barriers to providing comprehensive services to the poor.
	An evaluation of JTPA regarding the provision of support services.

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U.S. Congress chart continues

U.S. Congress, continued

Issue Area	Overview of the Project
Employment Training, continued	An evaluation of JTPA regarding contracting with service providers.
	An evaluation of JTPA regarding its future potential as part of a national job training strategy.
	A comparison of dislocated workers' assistance programs.
	An evaluation of the Worker Adjustment and Retraining Notification Act to learn the extent to which it is meeting its intent.
	A study of the Trade Adjustment Assistance program.
	An assessment of the role of certification systems and industry involvement in the development of skills standards.
	A study of the UI system's ability to meet its objectives.
	Studies to suggest a comprehensive school-to-work policy.
	An assessment of states' effort to develop new School-to-Work strategies.
Work and Welfare	A descriptive survey to identify how states planned to integrate two-parent families into their AFDC program, including the requirements for receiving benefits, the types of JOBS services offered, and the agencies providing the services.
	An assessment of the effectiveness of Tribal work/welfare strategies.
Work and Welfare, continued	A study of the implementation of transitional child care, transportation and medical services to those in work/welfare programs, to establish barriers to an evaluation of this aspect of JOBS.
	A comprehensive evaluation of the JOBS program as it related to the Unemployed Parent component: its implementation, the kind of program designs used, the nature of the service, and the outcome measures to be used in judging performance.
	An evaluation of the extent to which JOBS is serving the least job- ready, given participation rate requirements.
	An analysis of poverty trends between 1980 and 1988, particularly regarding family composition and income.
	A study of the food needs of and food donations to the homeless.
	An analysis of the feasibility of establishing a child support assurance system for parents whose absent spouses are not paying child support.
	An assessment of JOBS in terms of the reliability of participation rate data.
	A study of JOBS' provision of services to teen parents.
Economic Development	A study to identify ways to evaluate the implementation and efforts of public/private partnerships in seeking to stimulate economic development in communities.
	An analysis of innovative small business concepts funded by the federal government.

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Selected Reports Completed, 1990 through early 1994

Issue Area	Title
Education	"National Assessment Technical Quality."
	"Compensatory Education: Difficulties in Measuring Comparability of Resources Within School Districts."
	"School Age Demographics: Recent Trends Pose New Educational Challenges."
	"System-Wide Education Reform: Federal Leadership Could Facilitate District-Level Efforts."
	"Educational Testing: The Canadian Experience With Standards, Examinations and Assessments."
Education, continued	"Educational Achievement Standards: NAGB's Approach Yields Misleading Interpretations."
Vocational Education	"Vocational Rehabilitation: Evidence for Federal Program's Effectiveness is Mixed."
	"Vocational Rehabilitation Program: Client Characteristics, Services Received and Employment Outcomes."
	"Vocational Education: Status in School Year 1990-91 and Early Signs of Change at Secondary Levels."

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U.S. Congress chart continues.

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U.S. Congress, continued

Issue Area	Title
Vocational Education, continued	"Vocational Education: Status in Two-Year Colleges in 1990-91."
Employment and Training	"Apprenticeship Training: Administration, Use and Equal Opportunity."
	"Job Training Partnership Act: Action Needed to Improve Participant Support Services."
	"Job Training Partnership Act: Abuse of On-the-Job Training and Other Contracting is an Ongoing Problem."
	"Job Training Partnership Act: Potential for Program Improvements but National Job Training Strategy Needed."
	"Dislocated Workers: Comparison of Assistance Programs."
	"Dislocated Workers: Worker Adjustment and Retraining Notification Act Not Meeting Its Goals."
	"Dislocated Workers: Improvements Needed in Trade Adjustment Assistance Certification Process."
	"Anti-recessionary Job Creation: Lessons from the Emergency Job Act of 1983."
	"Minimum Wages and Overtime Pay."
	"Skills Standards: Experience in Certification System Shows Industry Involvement to Be Key."
	"Unemployment Insurance: Program's Ability to Meet Objectives Jeopardized."
	"Transition from School to Work: States Are Developing New Strategies to Prepare Students for Jobs."
Work and Welfare	"Unemployed Parents: Initial Effort to Expand State Assistance."
	"Unemployed Parents: An Evaluation of the Effects of Welfare Benefits on Family Stability."
	"Interstate Child Support: Mothers Report Receiving Less Support From Out-of-State Fathers."
	"Child Support Assurance: Effect of Applying State Guidelines to Determine Fathers' Payments."
	"Social Security: Need for Better Coordination of Food Stamp Services."
	"Integrating Human Services Linking At-Risk Families with Services More Successful than System Reform Efforts."
	"Welfare to Work: Effectiveness of Tribal JOBS Programs Unknown."
	"Welfare to Work: Implementation and Evaluation of Transitional Benefits Need HHS Action."
	"Welfare to Work: States Serve Least Job-Ready While Meeting JOBS Participation Rates."
	"Welfare to Work: JOBS Participation Rate Data Unreliable for Assessing States' Performance."
	"Welfare to Work: States Move Unevenly to Serve Teen Parents in JOBS."
	"Self-Sufficiency: Opportunities and Disincentives on the Road to Economic Independence."
	"Poverty Trends, 1980-1988: Changes in Family Composition and Income Sources Among the Poor."

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Source GAO's *Abstracts of Reports and Testimony* for 1992 and 1993 and information from staff in the Program Evaluation and Methodology Division.

U.S. Congress chart continues.

U.S. Congress, continued

Office of Technology Assessment

Some Current Projects

Issue Area	Purpose of the Project
Literacy	To study existing literacy programs and make recommendations about how technology can assist educators in the testing area.
Vocational Education	To study vocational education assessment instruments now in use, tests in development, and steps involved in moving the U.S. toward well-developed and certified tests supporting the mastery of technical knowledge in broad technical fields, in particular transferrable skills.
	To study the content and use of educational testing strategies in American schools.
Information Systems	To review the Social Security Administration's Information Technology Automation Program regarding: 1)technical justification and documentation of SSA's information systems approach, 2) the relationship of the approach to SSA's long-term service delivery strategy, 3) the use of intelligent work stations and local area networks within the program and service delivery strategy, and 4) the implications of the automation program for state involvement in SSA activities.
	To study privacy and security issues regarding advances in networking that facilitate remote access to network information resources such as digital libraries and shared databases. This study is relevant to the Administration's technology plan for wider use of the Internet and the development of the National Research and Education Network.
Computerized Service Delivery	To evaluate the ability of technology to provide services more effectively through the electronic delivery of federal services. This study is related to the Administration's National Performance Review and National Information Infrastructure initiatives.
Performance Standards	To study performance standards issues regarding the Food Stamp Employment and Training Program operated by the Food and Nutrition Services of the Department of Agriculture. Abt Associates' study of the program showed that the program was not meeting its goal or reducing food stamp outlays by increasing the employment and earnings of food stamp recipients. OTA will review the Food and Nutrition Services' alternative model for implementing a performance management system and make recommendations about the most effective models.
Jobs in a Service Economy	To study how productivity in service jobs can be improved through technology, through 1) case studies in selected service industries, 2) analysis of linkage between technology and productivity, 3) analysis of labor markets by sector and occupation, and 4) consideration of policy options dealing with issues such as training and work organization, job security, labor law, business modernization, and job creation.
Defense Conversion	To study the positives and negatives in defense downsizing in terms of unemployment and new job creation.
Economic Competitiveness	To analyze ways in which the American economy can become more competitive vis-a-vis Europe and the Pacific Rim.

Recent Reports

Issue Area	Title
Literacy	"Adult Literacy and New Technologies: Tools for a Lifetime."
Educational Assessment	"Testing and Assessment in Vocational Education."
	"Testing in American Schools: Asking the Right Questions."
Information Systems	"Defending Secrets, Sharing Data: New Locks and Keys for Electronic Information."
Service Delivery	"Making Government Work: Electronic Delivery of Federal Services."
Defense Conversion	"Defense Conversion: Redirecting R and D."
	"After the Cold War: Living with Lower Defense Spending."
Economic Competitiveness	"U.S.-Mexico Trade: Pulling Together or Pulling Apart?"

Sources OTA staff, *Report Briefs*, monthly *Assessments*.

U.S. Congress chart concludes.

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An Exemplar: Federal- and State-Funded Research Conducted by Private Firms

Although the federal agencies are among the major funders of social policy research, this research is conducted increasingly by large private-sector research organizations which specialize in certain substantive areas of research and in particular methodologies for studying issues within those areas. As illustrations of this growing phenomenon, we provide an overview of some of the research relevant to the employment and training community that is funded federally, often in collaboration with large foundations, but carried out by third-party independent research firms. The information below was forthcoming from a request to a large number of private firms, asking for information on their research activities. We welcome information on other firms, which we can publicize in subsequent issues of *Evaluation Forum.*

The Manpower Demonstration Research Corporation, New York, New York

Selected Completed Studies

Issue Area	Title/Purpose/Funders
Adult E&T	***National Supported Work Demonstration*** To assess the effectiveness of a transitional employment program in assisting hard-to-employ populations. U.S. DOL U.S. HHS The Ford Foundation New Jersey and Wisconsin
	National Job Training Partnership Act Experiment To evaluate the effectiveness of employment and training programs for adults and youth provided under JTPA Title II A. U.S. DOL
Youth E&T	***Youth Incentive Pilot Projects*** *Reports:* "Impacts from the YIEPP" "Post-Program Impacts of the YIEPP" To measure the effect of a job guarantee program for disadvantaged 16-19 year-olds, on condition that they remain in or return to school and meet attendance and performance requirements. U.S. DOL Rockefeller Foundation
	Project Redirection *Report:* "The Challenge of Serving Teenage Mothers: Lessons from Project New Direction" To analyze the efficacy and feasibility of an educational and mentoring program for pregnant and parenting teens. U.S. DOL The Ford Foundation Other Foundations
	The Comprehensive Opportunities Program To provide disadvantaged young people with a range of competency-based and individually-tailored work experience, skill training, and educational and counseling services to improve their employability. U.S. DOL

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Issue Area	Title/Purpose/Funders
Youth E&T, continued	***Structured Training and Employment Transitional Services*** To test the feasibility and effectiveness of a 'supported work' concept in placing youths into unsubsidized jobs who are borderline to moderately retarded. U.S. DOL The Ford Foundation
	JOBSTART *Report:* "JOBSTART: Final Report on a Program for School Dropouts" To develop and test a comprehensive education and training program model for increasing the employability of disadvantaged out-of-school youth. U.S. DOL National Commission for Employment Policy The Ford Foundation Rockefeller Foundation Other foundations Several corporations
Youth Education	***Career Beginnings*** *Report:* "Career Beginnings Impact Evaluation" To evaluate a program providing high school juniors with academic remediation, college preparation and tutoring, counseling and recreational activities, in order to encourage continuation of education and the improvement of career objectives. The Commonwealth Fund John D. and Catherine T. MacArthur Foundation
School to Work	***School-to-Work Transition Project*** *Reports:* "Home-Grown Lessons: Innovative Programs Linking Work and High School" "The School to Work Transition and Apprenticeship" To examine a range of school-to-work initiatives to study key factors affecting school, student, and employer participation in programs designed to solidify the connection between education and employment. The Commonwealth Fund Other foundations

Exemplar continues.

Exemplar, continued

Issue Area	Title/Purpose/Funders
Work/Welfare	***Demonstration of State Work/Welfare Initiatives*** *Report:* "Work Initiatives for Welfare Recipients: Lessons from a Multi-State Experiment" To evaluate new state programs for assisting welfare recipients to achieve self-sufficiency through job search, work experience and other program strategies. The Ford Foundation Other foundations Participating states
	Saturation Work Initiative Model (SWIM) *Report:* "The Saturation Work Initiative Model in San Diego: A Five- Year Follow-Up Study" To test the feasibility and effectiveness of requiring a high proportion of the welfare caseload to participate in welfare employment program activities as long as they received AFDC. U.S. HHS California
	Self-Employment Investment Demonstration (SEID) *Report:* "Self-Employment for Welfare Clients" To test the feasibility of operating a program to encourage AFDC recipients to develop their own businesses, and to provide business and life management skills training, loan assistance, and temporary exemption from public assistance rules considered work disincentives. The Corporation for Enterprise Development
Work/Welfare, continued	***Welfare Education Linkage Program*** To examine the planning, designing and early implementation of large-scale state programs seeking to link the welfare and education system to serve poor families. The Rockefeller Foundation
	Ohio's LEAP Program Report: *LEAP: Implementing a Welfare Initiative to Improve School Attendance among Teenage Parents* To study the effectiveness of Ohio's innovative welfare-education project, using a combination of financial incentives and penalties to induce teenage parents on welfare to attend and complete school. The Ford Foundation Other foundations Ohio
	Multi-State Technical Assistance Collaborative To provide technical assistance for implementing the JOBS program. The Ford Foundation Other foundations

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Selected Ongoing Projects

Issue Area	Title/Purpose
Youth Education	***High School Career Academies*** To measure the High School Career Academies' effect on high school retention and performance, graduation rates, post-secondary school enrollment and completion, and labor market success. U.S. DOL The Ford Foundation Other foundations
Low Income Families	***New Hope Project*** To test the effectiveness of an anti-poverty strategy targeted to poor and working poor families, and combining work-based wage subsidies, guaranteed community service jobs, child care assistance, and access to health insurance. The Ford Foundation New Hope Project, Inc.
Work/Welfare	***New Chance*** Report: *New Chance: Implementing a Comprehensive Program for Disadvantaged Young Mothers and Their Children* To develop and test a comprehensive mix of educational, personal development, employment-related, and support services to assist 16-22 year-old mothers to become more self-sufficient and to encourage the healthy development of their children. U.S. DOL The Ford Foundation Other foundations National Commission for Employment Policy
Work/Welfare, continued	***California's Greater Avenues for Independence (GAIN)*** Report: *GAIN: Program Strategies, Participation Patterns, and First-Year Impacts in Six Counties; Two Year Impacts in Six Counties* To evaluate a comprehensive welfare employment initiative providing work-related activities and services to welfare clients. California
	Florida's Project Independence To evaluate a welfare employment initiative providing work-related activities and services to welfare clients. Ohio The Ford Foundation

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Exemplar continues.

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Exemplar, continued

Issue Area	Title/Purpose
Work/Welfare, continued	***Parents' Fair Share*** Report: *Caring and Paying: What Fathers and Mothers Say about Child Support; Matching Opportunities to Obligations: Lessons for Child Support* To develop and study the effectiveness of employment, training and other services for non-custodial parents of children receiving AFDC, in order to increase child support. The Pew Charitable Trusts The Ford Foundation U.S. HHS U.S. DOL
	Self-Sufficiency Project To implement and evaluate the effectiveness of providing an earnings supplement to single parents who agree to leave welfare and maintain full-time employment. Canada: Human Resources Development
	Minnesota Family Investment Program To test the effectiveness of an anti-poverty strategy targeted to welfare recipients and combining increased work incentives, JOBS services targeted to the more disadvantaged, and consolidation of public assistance benefits programs. The Ford Foundation Minnesota

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Issue Area	Title/Purpose
Work/Welfare, continued	***Florida Family Transition Program*** To test the effectiveness of a welfare reform strategy targeted to the entire welfare caseload, and combining enhanced financial incentives to work, enhanced JOBS services, and a time limit on AFDC to be followed by work activities. Both a mandatory and a voluntary version will be tested. Florida The Ford Foundation
	Vermont Family Independence Program To study the effectiveness of a welfare reform strategy that combines increased work incentives, up-front voluntary JOBS participation, time limits on AFDC education and training, mandatory community service employment after the time limit, and a money management effort. Vermont
	National JOBS Evaluation Report: *Assessing JOBS Participants: Issues and Trade-offs* To evaluate the national JOBS program in a variety of sites across the country. U.S. HHS U.S. Department of Education

Mathematica Policy Research, Inc., Princeton, New Jersey

Selected Completed Studies

Issue Area	Title/Purpose
Unemployment Insurance	***Unemployment Insurance Exhaustee Study*** Report: *A Study of Unemployment Insurance Exhaustees: Findings from a National Survey* To obtain information about factors underlying the UI exhaustion rate, including the inability to find employment or disincentives in UI system leading to minimal job search efforts. U.S. DOL

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Issue Area	Title/Purpose
Dislocation	***Trade Adjustment Assistance Program*** Report: *International Trade and Worker Dislocation: Evaluation of the Trade Adjustment Assistance Program* To examine the impact of programmatic changes during the 1980s on program operations and the labor market outcomes of recipients. U.S. DOL

Exemplar continues.

Exemplar, continued

Selected Projects in Progress

Issue Area	Title/Purpose/Funder
Dislocation	*Job Search Assistance Demonstration* To measure the impact of alternative employment assistance services, including job search assistance and training, on the receipt of UI and on the employment and earnings of participants. Emphasis is on claimants permanently separated from their employer and likely to experience difficulty in becoming re-employed. U.S. DOL
Literacy	*Effective Workplace Literacy Programs* To provide information about programs and participants from all grantees for three years, and to estimate the net impact of ten of these programs. U.S. DOL
School-to-Work	*School-to-Work Transition/Youth Apprenticeship Demonstration Projects* To evaluate the implementation of 22 school-to-work transition and youth apprenticeship projects intended to prepare youth for employment. U.S. DOL
Non-College Bound Youth	*Tech Prep* To describe Tech-Prep programs and identify effective practices, including a longitudinal survey of two cohorts of program participants combined with school records on their academic performance. U.S. Department of Education

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Issue Area	Title/Purpose/Funder
Youth at Risk	*Dropout Demonstration Assistance Program* To assess the effectiveness of comprehensive dropout prevention efforts to keep at-risk youth in school, including program implementation, impact and cost effectiveness. U.S. DOL
	Upward Bound To conduct a five-year longitudinal study of the implementation and impact of the program, as well as its costs vs. benefits. U.S. Department of Education
	Job Corps Program To provide reliable estimates of the net impact of the program on the post-program earnings, employment and other outcomes of participants, as well as to study program implementation and cost vs. benefits. U.S. DOL
Welfare Youth	*Teenage Parent Demonstration Program* Initial Report: *Building Self-Sufficiency among Welfare-Dependent Teenage Parents: Lessons from the Teenage Parent Demonstration* To study programs in Illinois and New Jersey seeking to enhance the employment prospects and reduce the long-term welfare dependency of teenage parents. The study was extended to examine longer-term impacts. U.S. HHS

Sources Staffs of the Manpower Demonstration Research Corporation and Mathematica Policy Research, Inc.

Exemplar concludes.

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Abbreviations

D of Ag	Department of Agriculture	**MDRC**	Manpower Demonstration Research Corporation
D of Comm	Department of Commerce	**MPR**	Mathematica Policy Research, Inc.
D of Ed	Department of Education	**NCEP**	National Commission for Employment Policy
DOL	Department of Labor	**OTA**	Office of Technology Assessment, U.S. Congress
GAO	General Accounting Office, U.S. Congress		
HHS	Health and Human Services		

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History of the Journal

Evaluation Forum was developed as part of a five-year national demonstration project, ***The JTPA Evaluation Design Project,*** funded between 1986 and 1991 by the National Commission for Employment Policy, the U.S. Department of Labor, the IBM Corporation and The Ford Foundation. The purpose of the project was to increase the interest, knowledge and sophistication of employment and training professionals at the state and local level regarding *program evaluation:* its scientific principles and methods, its practical applications in better understanding program implementation and impact, and its utility as a practical tool for adjusting policies and improving programs. The project's series of evaluation guides can be obtained through the ERIC system in public libraries, or in book form from the W. E. Upjohn Institute for Employment Research.

Evaluation Forum is a national journal growing out of the five-year project and developed specifically for state and local program practitioners in the employment and training field. Its major objective is to communicate information on policy issues and research activities at the national, state and local level which can inform judgments about the design and effectiveness of various employment and training policies and strategies. Eight theme-oriented issues of the journal were published as part of the demonstration project.

The New *Evaluation Forum*

The new *Evaluation Forum,* of which this is the second issue, is being sponsored and funded by the Office of Planning and Research, Employment and Training Administration, U.S. Department of Labor. Its purpose is to disseminate useful information on evaluation issues, activities and results to those responsible for administering, planning, managing and overseeing employment and training programs across the United States. Again, each issue of the journal will be theme-oriented, and will follow the same organizational format as in the past. However, each issue will feature reviews by the editor and guest reviewers rather than articles written by practitioners and researchers.

Reader Participation

The content of the new version of the journal will cover the same kinds of materials as in the past: commentaries, policy analyses; program reviews; reports on evaluation planning, reports on analyses of monitoring data; research reports on program evaluations or policy research; books and articles on policy issues, programs and research; and other materials related to evaluation that would be of interest to practitioners.

Please Note

Each issue addresses a general theme in its Features section, but also covers a range of subjects under the section Evaluation Issues and Activities. Therefore, ***readers are encouraged to send materials to the editor on a wide variety of issues for possible review in the journal.***

Please send materials and suggestions to:

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The editor would appreciate your providing the following information with your materials: ***name, address, phone, organizational affiliation, position in the organization, and major interests re: evaluation issues and/ or activities.***

The Features section of the next issue of *Evaluation Forum* will focus on economic restructuring, worker dislocation and reemployment. Issue 12 will focus on issues surrounding youth employment and training.